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THE TIMES

Fashion: Romance
takes over
from punk, page 11

Rebel Spanish troops hold 350 MPs hostage in Parliament

Most the entire lower house of Spanish Parliament, including Prime Minister-designate, were held hostage last night by 200 civil guards led by an army colonel. The group had earlier stormed the chamber firing automatic weapons and ordering everybody to lie down. It appeared that the right-wing Captain-General of the Valencia region had masterminded the coup attempt.

Coup attempt during vote on leader

By Richard Wigg
Madrid, Feb 23

About 350 Spanish politicians, including the entire lower house of the Cortes (Parliament) were held hostage last night by 200 civil guards led by an army colonel. The group had earlier stormed the chamber firing automatic weapons and ordering everybody to lie down. It appeared that the right-wing Captain-General of the Valencia region had masterminded the coup attempt.



Colonel Tejero: Previous plot to seize power.

The guards raided Parliament last night for this evening's vote on the appointment of the new Prime Minister. The vote was to be held at 20.00 hours. The guards entered the chamber and ordered everyone to the floor. They then opened fire on the assembly.

General Manuel Gutiérrez elche, serving as Deputy Prime Minister, tried to negotiate with the rebels, telling them to obey authority, according to a Calvo Sotelo, the Prime Minister-designate. But the rebels were beaten and ordered to leave the floor with the others.

he said was briefly broad- by a short-circuited commu- who had been covering the floor. Before being forced to floor, he reported that guns pointed at Señor Landelino illa, the Speaker.

is broadcast was cut and his nel, like other networks, in playing classical music. according to a report by pa Press, quoting a high arve source, this evening's guards were apparently at the command of Lieut-Colonel Antonio Tejero ne. e is remembered here as leader of the so-called 'Galaxy', an abortive plot to seize power from Suarez government which uncovered in 1979. He given a light sentence by army authorities.

An eyewitness in the Cortes al Colonel Tejero telephoned al, Jaime Milans del Bosch, Valencia and told him: "Tia- nful, my general. All in."

ward later read General h's statement without ex- his vote was received in- nient with all communica- s cut. The speaker's state- was broadcast over a radio- on in Castellon, normally receivable in Madrid.

Spaniards wondered h whether their five-year- democracy was now atened by a coup d'etat. s Juan Carlos I, the King, and under-secretary of the outgoing Government permanent session at the uela Palace "to ensure the rability of the country by in and constitutions" as a statement by the story of the interior out it. he group was assembled in junior politicians of the

Suarez Government standing in for their Ministers who were trapped in the Cortes.

This emergency body of politicians told the country tonight that the "most complete calm" reigned in the country and gave an assurance that the "momentary interruption of parliamentary life" was expected to be short-lived.

All civilian and military authorities, the statement said, acting under the orders of King Juan Carlos, would guarantee that an act of violence did not disrupt the democratic system of government, freely chosen by the Spanish people, and expressed in the constitution, and which civilian and military authorities had sworn to uphold.

General Bosch, who is Captain-General of the Valencia region, had apparently of his own initiative declared a state of emergency in the region and taken over the local administration.

"Stay tranquil, Jordi," King Juan Carlos said, according to Señor Jordi Pujol, president of the Catalonia autonomous regional government, when the King was reassured of the situation in the Barcelona region.

It was a socialist woman MP, several months pregnant, who had been allowed out of the chamber who got the news to the King by telephone.

All traffic was prevented from approaching the parliament building in central Madrid but it was not known on whose authority this action was taken. As soon as news of the raid became known, maximum security was placed around the Madrid Palace of Congresses on the other side of the city, where

the European security review conference is meeting - attended by diplomats from 35 nations.

Tonight large crowds gathered as near to the Cortes building as heavy detachments of police allowed. Many listened anxiously to the latest news on transistor radios and discussed the significance of the situation. A few young people among them were to be heard singing extreme right-wing songs.

France man: General Bosch, who is 65, is one of Spain's best known and most controversial army leaders. He fought on the side of the late General Franco in the 1936-1939 civil war and later served as an infantry commander in the Blue Division which Franco sent to Nazi Germany to fight against the Soviet Union in the Second World War.

Today, in his broadcast statement, he banned all strikes and lock-outs and said that abandoning work would be regarded as sedition.

Valencia sealed: Eyewitnesses tonight reported columns of tanks converging on the centre of Valencia from several directions and taking up positions in central squares and avenues. Armed civil guards controlled strategic buildings. Streets were empty after the curfew declared by General Bosch.

Two radio stations in the Valencia region were occupied by the army - Reuters. Tanks move in: Army tanks tonight surrounded Spanish television offices in Madrid and troops occupied the building hours after the raid on parliament.

Two tanks and three jeeps blocked access to the building which was evacuated by the military. It was the first instance of the army being brought into action after the raid. An emergency meeting of military leaders was to start shortly, army sources said - Agency France-Press.

Agencies feared: Two hours after the gunfire in Parliament, the news agency EFE reported four ambulances outside the building and said there were believed to be some injuries. A civil guard told Señor Suárez to shut up, asked for an explanation as head of government and the agency said, Señor Agustín Rodríguez Sahagún, the Defence Minister, also was told to shut up as the guards kept their guns at the ready.

The agency said several civilians, with sub-machine guns, joined the guards in taking up positions in the chamber - AP.



Lady Diana Spencer walking in London yesterday.

Engagement of Prince to be announced today

By a Staff Reporter

The engagement of the Prince of Wales and Lady Diana Spencer is expected to be announced today. The wedding is likely to take place in Westminster Abbey in July.

Lady Diana, aged 19, youngest daughter of Lord Spencer and Mrs Frances Shand Kydd, worked as an assistant in a kindergarten in Pimlico, London.

The Prince of Wales, who is aged 32, once said that he thought "about thirty" was the right age for marriage, and the announcement will bring to an end speculation about the romance that has in recent months put the couple in the centre of press attention.

Lady Diana grew up in circles associated with the Royal Family. Her father was equerry to King George VI and to the Queen, and her name first became known to the public after that of one of her elder sisters, Lady Sarah Spencer, was linked with that of the Prince.

Lady Diana is the youngest of Lord Spencer's four children by his first marriage, to the Hon Frances Roche, daughter of Lord Fermoy. The Spencer earldom was created in the eighteenth century.

Lady Diana returned from Australia last Thursday and was with the Prince the next day when his favourite horse, Alibari, collapsed and died.

Water men in North stage first walk-out

By David Felton
Labour Reporter

An indefinite strike by water and sewerage workers in parts of Lancashire started at midnight as the momentum for unofficial action gathered pace in several areas of England and Wales.

In spite of attempts by union officials to calm the situation, rank-and-file members displayed their hostility to the National Water Council's 10 per cent offer by starting action before trade union leaders met tomorrow. They are expected to give the employers notice of strike action.

About two hundred workers with the Pennine Water Authority in Oldham and Ashton are involved in the action, which is unlikely to have any dramatic impact immediately, but could become serious if the strike is prolonged.

Water and sewerage workers in the North-east, who imposed a work to rule last week, have threatened to go on strike from midnight tomorrow unless their offer is not "substantially" increased. Workers in York are already taking disruptive action and they are likely to be joined later in the week by members of the National Union of Public Employees in Wales.

Workers in the west Wales and UK regions are being balloted on whether to go on strike, and the results should be known later today. Mr Steven King, NUPE regional secretary for Wales, said last night: "It would be surprising if there were not unofficial action in several areas in Wales before the end of the week."

The decision of the Lancashire workers was taken at a meeting in Oldham. Mr Stephen Braithwaite, district officer of the General and Municipal Workers Union, said after the meeting: "They said they were not prepared to wait any longer. The union claim was submitted last October and it has still not been settled."

"The men have become tired of waiting so they decided to take unofficial action. There will be pickets out at local depots and I will not be surprised if the action spreads," Mr Braithwaite said.

Union delegates meeting in Newcastle urged their leaders to have to form a national strike. Mr Raymond Gray, chairman of the local NUPE water committee, said attitudes had hardened and they were determined to win a decent increase.

At a national level, union negotiators were hoping that the employers would indicate their willingness to improve the offer before tomorrow's meeting. Mr Edmund Newall, national industrial officer of the GMAU, said: "The employers are surely realising that they are facing and they have as much responsibility in this as the trade unions."

Last night it did not appear likely that the employers would offer an immediate improvement in their "final" 10 per cent offer. The Government has made it clear that after its experience with the miners last week it intends to deal firmly with other public sector workers.

Mr Jenkins insisted that the central issue facing the country was how to deal with the years of oil abundance while preparing the best possible position to face the future without oil. It demanded above all stability of policy.

Mr Jenkins wasted much of the North Sea revenue to be put into railway electrification and public transport generally; the expansion of British Telecom; energy-saving and insulation work; the development of renewable resources; and the renewal of outcured water and sewerage systems.

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Mr Brezhnev calls for summit meeting with US President

From Michael Binyon
Moscow, Feb 23

In a definitive statement of Soviet policy at home and abroad for the next five years, President Brezhnev today called for a summit meeting with President Reagan, and offered to halt the development of Russian submarines and to send military confidence-building measures if the West did the same. Mr Brezhnev also renewed calls on Nato to stop the deployment of American missiles in Europe.

His report, which lasted more than three-and-a-half hours, was delivered to about 5,000 delegates and foreign guests assembled in the Kremlin for the opening session of the twenty-sixth congress of the Soviet Communist Party.

The Soviet leader put forward few new foreign policy initiatives, but he took a surprisingly mild line towards the Reagan Administration, expressed confidence that Poland could solve its own problems, and restated Soviet defiance over Afghanistan.

In the domestic field, Mr Brezhnev admitted that his country was entering a period of economic difficulties. He called for crash programmes to improve the supplies of food and consumer goods, and spoke frankly about social problems such as drunkenness, family instability, corruption and industrial mismanagement.

He also called for a thorough restructuring of political and ideological education to combat what he called the boredom of youth with old slogans.

Underlying his remarks was the bad state of Soviet-American relations. Mr Brezhnev said that the international situation largely depended on the policies of the two countries. He said that at a time of acute international tension, there had to be an active dialogue at all levels.

In contrast with the Soviet press, which has reacted sharply to Mr Reagan's tough accusations against the Russians, Mr Brezhnev emphasized that his country was still looking for normal business-like relations with the Americans.

He renewed Soviet commitment to détente, and gave an optimistic picture of steadily developing relations with the main countries of Western Europe except for Britain.

"We regret to say that here there is stagnation, but not through any fault of ours. I think that this is contrary to the interests of either the Soviet Union or Britain."

On Poland, Mr Brezhnev appeared cautiously optimistic that the Polish party would be able to restore normality there. He referred to the Warsaw Pact summit last December when it was agreed to support Poland's attempts to calm the crisis.

"Polish communists and the working people of that country can firmly rely on their friends and allies; we will not abandon fraternal socialist Poland in its hour of need. We will stick to our word."

Depending on the definition of "need", the phrase could also be taken as a further warning to the Poles. Mr Brezhnev spoke of Poland's earlier mistakes and miscalculations, saying that the country was an important example of the need for the party to listen to the masses, to fight bureaucracy, to strengthen socialist democracy and to be "realistic" in its foreign economic relations.

Mr Brezhnev had little new to offer on arms control, but he did make what appears to be a significant concession in heeding a proposal put forward by France, that military confidence-building measures should be extended by including all European Russia up to the Urals in the zone where advance notification should be given for military exercises.

The Russians would extend this zone, provided the West corresponded, he said.

The Soviet leader also suggested setting up such zones in the east-on the borders of China and Japan-and negotiating with "all interested countries." He had earlier remarked that the Russians did not want to continue the quarrel with China (which was not represented at the congress) and were ready for further talks.

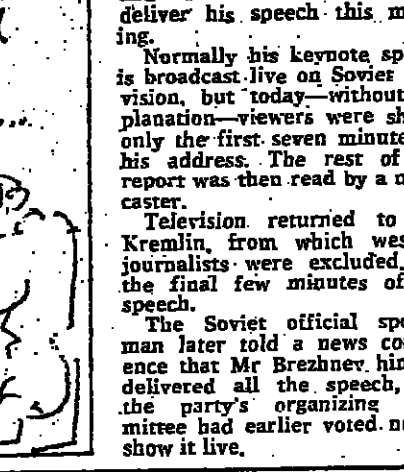
Mr Brezhnev offered to limit deployment of the new Soviet submarines fitted with "typhoon" missiles, if the Americans did the same. The Trident-carrying Ohio-class submarines are being developed for Nato to stop the deployment of new missiles in Western Europe, and the Soviet Union would similarly freeze its deployment of SS20 missiles.

Foreign affairs came first in Mr Brezhnev's lengthy report. He said it was "absolutely obvious" that today the Soviet Union and its allies were more than ever the chief buttress of world peace.

Mr Brezhnev, aged 74, who is presiding over his fourth congress since becoming party secretary in 1964, looked tired and drawn as he rose to deliver his speech this morning.

Normally his keynote speech is broadcast live on Soviet television, but today without explanation-viewers were shown only the first seven minutes of his report. The rest of the report was then read by a newscaster.

Television returned to the Kremlin, from which western journalists were excluded for the final few minutes of his speech, as he rose to deliver his speech this morning.



sterling umps cents

Frances Williams
he pound collapsed on foreign exchange markets yesterday plunging nearly six and a half cents against the dollar to its lowest level for nearly a year.

he pound closed against dollar at \$2.2455, its lowest since April 1980, and it shed sharply lower against financial currencies, including the Deutsche mark, Swiss franc and yen.

French franc, measured in a basket of currencies, fell 2.1 to 100.4 (average 1975-80).

ster in New York, sterling fell nearly eight cents lower in last week at \$2.2350. he slump was set off by depend press reports that a 3 per cent increase in the minimum lending rate was being contemplated in the light on March 10.

urther impetus came from talks by Mr Christopher Patten, EEC Budget Commissioner, late in the afternoon action should be taken to "bring down the pound as a prelude to British membership of European monetary system. hough foreign exchange markets had widely expected a cut in MLR of about 2 per cent, the fall precipitated a heavy selling in Far- n markets which knocked 3 per cent off the pound. A European markets opened after remaining steady for ch of the day, sterling edged a further 2 cents immediately after Mr Tugendhat's remarks.

Dealers yesterday took the view that a 2 per cent cut in MLR would be sufficient to bring United Kingdom interest rates in line with other European countries and moderate the sterling exchange rate. A 3 per cent cut would be over- and might not be considered justifiable in the light underlying monetary conditions.

Anger at steel plant shutdown

Dupont is to close its steelmaking plant in South Wales with the loss of 1,200 jobs, and sell other steel interests to British Steel. Angry leaders of the labour force will travel to London for talks with Mr William Sims of the Iron and Steel Trades Confederation, and Keith Joseph, Secretary of State for Industry, to make a statement on government plans for the steel industry including writing off £3,000m of corporation capital and providing more government funding.

Coal sale demand

Mr Joseph Gormley, the miners' leader, demanded that the Government must find a market for "every ounce of coal" they produced. The call came on the eve of talks between the TUC and the Chancellor of the Exchequer on the scale of government cash for the coal industry.

Civil Service threat

Leaders of the nine white-collar Civil Service unions threatened an improved pay offer of rises of 7 per cent, making industrial action by the 530,000 civil servants more likely. The unions are seeking a 15 per cent increase.

35pc rate increase

Householders in Manchester face a rate increase of 35 per cent and those in Liverpool a rise of 21.5 per cent from April. The Liverpool decision was carried by the single vote of the Liberal chairman of the policy and finance committee.

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Letters: On church unity, from the Rev Peter Hinchliff and others; El Salvador, from Mr A. C. Clarridge, contempt of court, from Mr William Kimber; Leading articles: Spain; Mr Brezhnev's speech; Features, pages 11, 12
Nicholas Ashford on guerrilla armies; Jan Bradley recalls the first social democrats; Alan Hamilton's London diary; Obituary, page 14
Mr Brian Sellers, M Eugene Herbage

Missionaries expected to leave Iran tomorrow

The Archbishop of Canterbury, Dr Robert Runcie, expects the three British missionaries held in Iran to return home tomorrow. At the opening session of the General Synod of the Church of England, he paid tribute to the Iranian authorities, whose investigation "illuminates a concern for truth and justice, even in the midst of war and internal difficulty." Page 6

US Middle East priority

Mr Alexander Haig, Secretary of State, has told the Israeli Government that the United States is more interested in countering what it sees as a Soviet threat to the security of the Middle East and South-West Asia than in resurrecting the stalled Palestinian autonomy talks between Israel and Egypt. Page 7

\$800m film studios offer

Mr Marvin Davis, a Denver oilman, has made an offer to buy Twentieth Century Fox which has a possible cut in the film studios as \$800m (£360m). Rumours of a bid have been rife in Hollywood since Mr Alan Ladd junior and other top executives left the corporation in 1979. Page 19

Fishing ban: Government reimposes mackerel curb in south-west England

Washington: America's United Nations representative describes Carter human rights policy as Utopian. Page 6

Videocontext: A Special Report on information technology

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Mr Jenkins would penalize strikers

By Fred Emery
Political Editor

Setting out expansionary economic alternatives to the Government's policies, which he described as "something near disaster", Mr Roy Jenkins commented last night the idea of an "employment-oriented pay commission". He suggested it could be one instrument, through penalizing strikers with loss of benefits, to help wage moderation.

In a speech in London to the Institute for Fiscal Studies, Mr Jenkins, one of the co-founders of the Council for Social Democracy, made his main proposal a big new public investment programme using a large part of the North Sea oil revenues.

At the same time, the private sector would be stimulated with cuts in interest rates and "downward pressure" on the exchange rate.

It was in relating that expansion to what he called a "tolerable anti-inflation policy" that Mr Jenkins called for a return to a "stability-oriented incomes policy". Such a policy would have to be non-bureaucratic, long-term, and allow for flexibility in bargaining.

Mr Jenkins singled out the ideas of Professor James Meade, a Nobel prize-winning economist. As he explained it, the core is an employment-oriented pay commission which would not involve itself with any freely agreed bargain, but which would be open for business from any party to a disagreed wage settlement.

Subject to limitations, the commission "would judge a settlement at either the employees' last claim or the employers' last offer, whichever would be more likely to favour employment in the enterprise concerned."

Mr Jenkins added: "Enforcement would be not through the full panoply of the criminal law, but through a weakening of a

potential striker's financial position in the realm of tax rebates, supplementary benefit and redundancy conditions."

He conceded that although such a system would favour wage moderation at a time of high unemployment and weak competitiveness he was less sure how it would work in a tight labour market. But he suggested it offered "the right direction."

The Liberals, with whom any social democratic party would have to form an electoral alliance, favour a full statutory incomes policy. Mr Jenkins is some way short of that, but clearly the positions are not incompatible.

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2 Send a donation to the Cancer Research Campaign at the address below.

3 Offer your help to your local committee. You'll find a number in your local phone book under Cancer Research Campaign-or call the number below and we'll put you in touch.

4 Support any local events or flag days in aid of the Cancer Research Campaign.

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HOME NEWS

Miners demand sale 'of every ounce' as rescue talks begin

By Paul Routledge
Labour Editor

Negotiations on the rescue package for the coal industry opened yesterday with a demand by the National Union of Mineworkers that the Government should find a market for "every ounce of coal we produce".

That was the view put to the National Coal Board by Mr Joseph Gormley, the union's president, on the eve of senior level talks between the TUC and the Chancellor of the Exchequer over the shape of his forthcoming Budget.

After shelving their strike threat, miners' leaders are looking to the Cabinet for measures that would minimize coal imports and restore operating subsidies at a cost of hundreds of millions of pounds. Negotiations with David Howell, Secretary of State for Energy, on the scale of government finance are to be resumed tomorrow.

Mr Gormley said yesterday that the miners and the board had agreed on the principal issues in a "shopping list" and

sought ministerial backing for those measures. "The commitment we must have is that the country will sell every ounce of coal we produce," he added.

Tomorrow's talks are expected to concentrate on agreement about principles rather than decisions on the amount of money involved in the reduction of coal imports and the restoration of subsidies, but the issue of pumping public money into the nationalized industries will be raised on a wider scale with the Government today.

Sir Geoffrey Howe, the Chancellor, is to meet the TUC economic committee, and listen to proposals for a publicly funded £5,200m stimulus to the economy designed to produce a 1.5 per cent growth next year.

Ministers will give the TUC a policy but no commitment, he said. In the confidence that their proposals will not be implemented by the Thatcher administration, the unions and the Labour Party yesterday agreed on further civil responses in the cities on the line of the Glasgow and Liverpool demonstrations.



Soldiers of The Queen's Royal Irish Hussars in Scorpion and Scimitar light tanks during a Salisbury Plain exercise against an enemy attacking with nuclear and chemical weapons.

Civil Service unions flatly reject 7% pay offer

By David Felton
Labour Reporter

Industrial action by Britain's 530,000 civil servants, which could have a damaging impact on government, became more likely last night after leaders of the nine Civil Service unions rejected an improved pay offer of rises of 7 per cent.

The new offer, a 1 per cent improvement, was made by Lord Soames, Lord President and minister responsible for the Civil Service. It was flatly rejected by union negotiators, who predicted that the first co-ordinated action throughout the service was almost certain to go ahead.

Union leaders who are seeking a 15 per cent increase, went into the meeting in the knowledge that members of the main unions have voted, or are in the process of voting, in favour of industrial action.

In an attempt at conciliation, Lord Soames offered the unions talks on establishing an ordered system of pay bargaining for the Civil Service. The unions agreed to further discussions with government officials on the offer in the next few days.

Some of the less militant unions would be reluctant to embark on a campaign of industrial action if they thought a new system of bargaining based on "fair considerations" could be agreed with the Government.

Lord Soames was uncompromising in his statement to the unions and said that the offer would be accommodated within the 6 per cent cash limit, for pay increases set by the Government for job cuts and reduction in administrative costs. It had to be regarded as the Government's final offer.

Mr William Kendall, secretary general of the Council of Civil Service Unions, said after

the talks that the offer was not acceptable. "I do not believe there is a way out of the unions being forced to make industrial action."

A final decision on whether to go ahead with the campaign of action, which is intended to start with a one-day strike on March 9, will be taken at a meeting on Thursday.

Mr Kendall said he thought the Government would have to provide a firm commitment to an orderly pay bargaining system for next year's pay negotiations and an improvement in the 7 per cent offer for all the unions to agree to drop industrial action.

Mr Kenneth Thomas, general secretary of the Civil and Public Services Association, the largest union in the Civil Service, said: "I think it is certain that action will take place. I would lose my job if I accepted the offer we have been made today."

Members of the CPSA are voting at branch meetings on whether to take action, and by last night meetings covering about half the union's membership had voted by a three-to-one majority in favour of strikes.

If Thursday's meeting gives approval for the campaign the one-day strike will be followed by other action, including selective strikes against key government computer centres in an attempt to disrupt the Government's ability to collect revenue.

Among the centres where action is likely are the PAYE computers at Shipley, near Bradford, and Combase, near Glasgow, and the customs computer at Southampton.

The unions have collectively pledged that they will give workers who strike or are suspended 85 per cent of their gross pay.

Dr Owen suggests Intelligence vetting

By Stewart Tiedler

A special committee of Privy Counsellors to make Britain's intelligence services more publicly accountable was suggested last night by David Owen, the former Foreign Secretary.

Interviewed during BBC television's *Panorama* programme on Britain's intelligence community, Dr Owen said it was reasonable to have a small committee to question the Home Secretary, the Foreign Secretary and the Prime Minister to make sure they were keeping a total democratic check.

Mr Jonathan Aiken, MP for Thanet, said that during the Suez crisis in 1956 plans had been made to kill President Nasser.

Mr Aiken, who at that time was working for Mr Selwyn Lloyd, the Foreign Secretary,

said that Mr Lloyd did not learn of the assassination plans until they were well advanced.

During the programme, which has been a centre of controversy over allegations of censorship within the BBC, a number of former intelligence officers were interviewed.

The programme also interviewed Mr Frank Snep, a former CIA officer, who claimed that British intelligence had used journalists as field operatives. He said his colleagues often assumed, for example, that Reuters staff were tied in with British intelligence.

That was denied by Mr Gerald Long, then managing director of Reuters, who told *Panorama* that anyone suspected of contact, let alone working for an intelligence group would be called to account.

'Note the actions, not the words' is Tory message

By Fred Emery
Political Editor

The Prime Minister's approval was conveyed in Whitehall yesterday for the new message that more attention should be paid to the Government's pragmatic actions than to some of its defiant rhetoric. The point had been put strongly in a Sunday television interview by Mr John Biffen, Secretary of State for Trade.

Yesterday he was given the rating of a sterling performance. Such phrases as "the lady's not for turning" and "never, never, never" used by the Prime Minister are in future to be taken as inspirational for the long-term strategy and its objectives, not setting the tone for the immediate tactics.

That emerged after a meeting of Cabinet ministers put the finishing touches yesterday morning to the Government's plans for massive public assistance to the British Steel Corporation.

Mrs Thatcher wants it believed that she and all her ministers stand by the strategy of reducing inflation and reviving British industry. But they are more concerned about adjusting to the realities in this depression and thus adjusting their tactics, than many observers had noticed.

The explanation, of course, would have seemed more credible had the Government, at the time, given a warning that the rhetoric was not to be taken at face value. Instead, the wide coverage, particularly in the popular press, given to Mrs Thatcher's rhetoric was relished, indeed solicited.

Dr Runcie sets warm and enthusiastic tone for Anglican welcome to the Pope

By Clifford Longley
Religious Affairs

The Archbishop of Canterbury, Dr Robert Runcie, yesterday set the tone of the Church of England's welcome to the Pope next year. It was to be warm and enthusiastic, "but without compromising Anglican principles," he indicated.

"In welcoming Pope John Paul II to our country and to Canterbury Cathedral we do so as Anglicans on our own terms, and they are not those of the First Vatican Council. And the Pope would be the last person to want us to sacrifice our own theological integrity," Dr Runcie told the General Synod of the Church of England.

He was speaking in a debate, which was later adjourned on motion, acknowledging the Pope's visit and calling for joint Anglican-Roman Catholic prayers and preparations for it.

The Synod embarked on the subject a little gingerly, mindful of strong feelings in the Church and elsewhere, with several speakers referring to

the difficulties the Church of England has concerning the Pope. The Archbishop's line was followed by many members, and there was general agreement that the visit was an occasion for warmth rather than for euphoria. While the great improvement in relations between the two churches were repeatedly referred to, so were those aspects of Roman Catholic theory and practice that Anglicans find objectionable.

There was a general wish that the visit should not directly serve the cause of church unity, although Dr Runcie warned the Synod that there was a danger of "triumphalism" on the Roman Catholic side, and "no popery" on the other.

Mr Runcie's hope is that the visit will in fact strengthen the witness of all the churches in our country, not just the Roman Catholic Church. This will call for ecumenical sensitivity on the part of the Pope and the Roman Catholics of this country.

"It will also call for an openness on the part of the Church of England and other Christians to the positive value of the universal dimension of the Pope's ministry," Dr Runcie said.

Earlier he disclosed that there was no likelihood of the Pope being invited to say Mass in Canterbury Cathedral. *The Times* Diary and its correspondence columns not withstanding.

The Synod began its consideration of the proposed covenant with the Free Churches, by deciding on the special majority in the synod that the scheme will eventually require when the final debate takes place in 1983.

Opponents of the covenant's proposals were generally in favour of a majority of 75 per cent being set as the test, while supporters were behind the Synod's standing committee's proposal of a two-thirds majority. This committee's proposal was eventually adopted by 241 votes to 200.

In brief

Lady Falkender 'was informant'

Lady Falkender, formerly Sir Harold Wilson's political secretary, was responsible for disclosing that Sir Geoffrey Harrison was recalled from his post as ambassador in Moscow in 1968, after having an affair with a Russian chambermaid, Sir Geoffrey said yesterday.

The disclosure was made to a journalist about four years ago, but was not published until last weekend in *The Sunday Times*. Sir Geoffrey said that he regarded the information as classified and that it should not have been divulged to a journalist.

Gun murder charge

Gary England, aged 17, of Chingford Avenue, Chingford, east London, appeared at Waltham Forest magistrates' court yesterday charged with the shotgun murder of Mr Mark Butters at a party in Walthamstow, east London, on Wednesday night. Mr England was remanded in custody until March 2.

Widow gets £57,450

Mrs Patricia Matthews, a widow, aged 39, of Scotforth, Lancashire, and her three daughters were awarded agreed damages of £57,450 yesterday against the British Railways Board after the death of her husband, who contracted asbestosis while employed by the board.

Arrest at No 10

A man was arrested yesterday when he tried to rush into No 10 Downing Street to complain about housing. John Scoby, aged 35, of Haldane Street, Whiteinch, Glasgow, was bound over at Bow Street Magistrates' Court for causing a breach of the peace.

Wildlife park theft

A £20,000 collection of silver, bronze and ivory animal figures has been stolen from Mr John Aspinall's wildlife park at Port Lympne, Kent. The pieces were in display cases in the park's mansion.

RAF pilot feared dead

An RAF pilot was last night missing and feared dead after his Hunter jet fighter on a routine training mission plunged into the North Sea 20 miles north-east of its base at RAF Lossiemouth.

Manx law change

Suspended sentences and community service orders will be introduced into the Isle of Man's criminal courts if a new Criminal Justice Bill, going before the House of Keys today, is passed.

House arson inquiry

Forensic scientists yesterday sifted through the wreckage of a house in Little Milton, Oxfordshire, which police think may have been deliberately set on fire.

Dustmen killed

Mr Charles Roberts, aged 49, a dustman, of Kings Cliffe, Northamptonshire, died yesterday when he was knocked under the wheels of his refuse vehicle and crushed.

Failures in paying child benefit criticized

By Pat Healy
Social Services Correspondent

The failures of the Department of Health and Social Security in paying child benefit to needy families is strongly criticized today in the annual report of the Parliamentary Commissioner for Administration (Ombudsman).

Of 10 cases investigated last year the Ombudsman found black spots in which industrial disputes and computer and communication difficulties caused delay in families receiving child benefits, in some cases for many months.

The Ombudsman emphasizes that he would need a wider sample before attempting to judge the overall performance of the department.

But he continues: "What is clear from the handful of cases that have been brought to me is that people to whom a few pounds in benefit are equivalent to Mr Micawber's immortal suspense can suffer real hardship when the administrative system through which they should receive this benefit fails."

Even making allowances for industrial disputes that could claim last year, the department did not perform well. There were far too many clerical errors and, in some cases, inexcusable failures even to deal with letters from anxious parents seeking news of their benefits, the Ombudsman says.

In one case child benefit was finally paid nearly five months after the birth of a fifth child, and after the family had had to abandon their home because they could no longer keep up their arrears amounting to £360, but even that was a mistake and a further £18 had to be added later.

The Ombudsman reports that the department did agree to pay the family £100 so that they could revive their insurance policies without financial loss. The Ombudsman notes that the department is introducing changes to improve its procedures, but says it is never too late to discover how often written communications between government offices and the public, and indeed between government offices themselves, go astray, sometimes because of a change of address.

"The public are, mercifully, free in this country to move home when they choose and they should not find difficulty in obtaining their proper entitlement simply because the administrative system is unequal to keeping its records of such moves up to date," the Ombudsman states.

"And of course there is no excuse for officials putting files away when the problems in them are still unresolved (which is what happened in one of the child benefit cases I investigated)."

The DHSS was again the department about which the greatest number of complaints was received from MPs in a year when all complaints to the Ombudsman rose by 36 per cent.

Of 85 complaints against the department which were completed during 1980, 50 were found to be well handled, provided, nine other cases the complaint was not upheld.

The Ombudsman received 1,031 complaints from MPs during 1980, of which 264 were accepted for investigation.

Parliamentary Commissioner for Administration, *Annual Report for 1980*, House of Commons Paper 148 (Stationery Office, £3.60).

Accident risk to driving examiners

By Peter Waymark
Motoring Correspondent

During one driving test in nine which the candidate fails, the examiner has to intervene to prevent an accident, Mr Kenneth Clarke, Parliamentary Secretary for Transport, said yesterday.

He told driving instructors at a conference in London that the interests of road safety they should try to discourage pupils from taking the test before they were ready. "The most important message for most of us to get across is that learners who cannot drive safely and considerably will, without doubt, fail their tests."

Last year 1,800,000 learner drivers took the test and the failure rate was 53 per cent. On average, an examiner is faced with having to take action to stop an accident every other day.

Mr Peter Russell, general secretary of the Motor Schools Association, said: "Some instructors have been remiss in allowing pupils to take tests too soon, but we feel this happens more with learners who have not been through a driving school. One difficulty is that the long waiting lists for tests make some pupils desperate to enrol as soon as they feel they may have a chance."

Mr Clarke also appealed to instructors to discourage pupils from making double or triple bookings. That was inadequate to other candidates, as well as increasing costs and causing additional delay.

The conference welcomed a suggestion from Mr Clarke for a higher registration fee for driving instructors and that standards of entry should be raised.

He argued that higher standards would lessen the need for his department to carry out periodic checks on driving instructors. Those were made twice a year, an expensive operation requiring a large staff.

Mr Russell said: "We would gladly pay more to get better supervision and stricter control on entry. It is too easy to become a driving instructor."

Doctors will give facts to police

By Clifford Longley
Religious Affairs

Doctors and police officers worked out a formula in Sheffield yesterday by which doctors will pass on information about patients, sometimes without their consent.

The meeting was called after doctors became concerned about breaching the code of practice when murder-hunt detectives appealed for information

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Mental health charity sees danger of '1984' powers

By Lucy Hodges

Serious concern is being voiced about the possibility that social workers may be given more power to control people with psychiatric problems and that without safeguards, that could bring Britain a step closer to George Orwell's 1984 society.

The Government is considering introducing a new community care order in the process of reforming the Mental Health Act, 1959, and MIND, the mental health charity which fights for patients' rights, believes that could be a dangerous development.

The group's legal adviser, Mr Larry Goslin, has prepared a briefing paper on MIND's views, which is being studied by the Department of Health and Social Security. He argues that the broad discretionary powers sought by the British Association of Social Workers (BASW) in the care order are disturbing.

Control could be exercised over a person's place of residence, employment, diet, medication, child-rearing practices and life style, MIND says.

"These powers are serious intrusions and, if warranted, should be susceptible to judicial review on their merits."

MIND and the social workers agree on the object of keeping patients in the community and out of institutions. But MIND wants to see a much more radical and positive shift to community care, which would place duties on social service departments rather than subject patients to more control.

It would like to see local authorities forced by law to provide housing and care for the mentally ill and to see much more money allocated in that direction.

Mr Rolf Olsen, professor of social work at Birmingham University, who drafted BASW's submission on the new order, said that MIND distrusted professionals.

"They are saying it is hospital or nothing," he added. BASW favoured safeguards for the new order that should be approved by a qualified psychiatrist, a general practitioner and a social worker, and that relatives should have a right of appeal."

Consultant defends brain death 'survival' tests

By Nicholas Timmins

The consultant neurophysiologist who claimed last week that two patients who fulfilled the British criteria for diagnosis of brain death had survived, yesterday said he believed the tests were carried out properly.

He had not carried them out himself, but "they were reported to us as being done properly," Dr Ronald Paul, a consultant at Walsgrave Hospital, Coventry, said.

Dr Paul, who has been challenged to present details of the cases to an independent inquiry, said his opponents were using them as a terrible red herring to try to divert attention from the main issue, which

is whether brain stem death equals death. He said in his opinion it did not.

He believed the tests had to be repeated, and an electrical measurement of brain activity taken to ensure that the higher, thinking part of the brain was also dead.

Dr Christopher Pallis, reader in neurology at the Royal Postgraduate Medical School, who appeared on the BBC television programme "A Question of Life or Death" on Thursday, opposite Dr Paul, said: "These cases are not a red herring, they are absolutely crucial. If you want to invalidate the criteria you must produce evidence against them."

'Life can be one of two ways. Either it can be all about V.A.T. or it can be all about God. It's perfectly clear that he has a lower percentage of V.A.T. and a higher percentage of God than almost anyone else one knows.'

William Rees Mogg

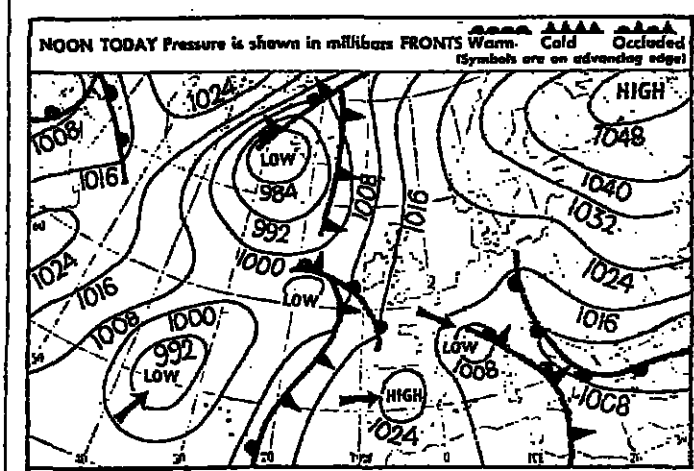
For five years Basil Hume has been Cardinal Archbishop of Westminster. In that time he has become the most widely known and popular Roman Catholic leader in England since the Reformation.

Tonight a major film profile chronicles his life, his path from schoolboy through monk, teacher and Abbot to Archbishop, and looks at his work in the Catholic community today, in Britain and abroad.

BASIL HUME O.S.B.
A filmed biography
from Thames Television
10.30 p.m. tonight on ITV



Weather forecast and recordings



Today
Sun rises: 6.57 am
Sun sets: 5.32 pm
Moon rises: 9.23 am
Moon sets: 11.30 pm
Last quarter: February 27.
Lighting up: 6.02 pm to 6.25 am.
High water: London Bridge, 4.55 am, 6.8m; 5.18 pm, 6.8m; Avonmouth, 10.14 am, 12.2m; 10.29 pm, 11.8m; Dover, 1.59 am, 6.4m; 2.15 pm, 6.0m; Hull, 9.27 am, 6.8m; 9.36 pm, 7.0m; Liverpool, 1.13 am, 8.4m; 2.22 pm, 8.4m.
1 ft = 0.3048m. 1 m = 3.2808 ft.

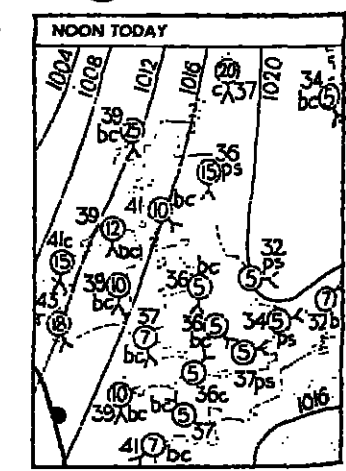
England, Wales: Rather cloudy, misty start, mainly a little sleet or snow in places, slowly becoming brighter and drier; wind NE, light, later SE, moderate at times; max temp 4° or 5° (39° to 41°).

Lake District, Isle of Man, SW, NW Scotland, Glasgow central Highlands, Argyll: Mostly dry with sunny intervals after clearance of any overnight mist or fog; wind SE, light to moderate, increasing to fresh at times later; max temp 4° to 6° (39° to 43°).

NE England, Borders, Edinburgh and Dundee, Aberdeen, Moray Firth, NE Scotland, Orkney, Shetland: Some fog patches at first, scattered snow showers and sunny intervals; wind SE, light, moderate in places later; max temp 2° to 4° (36° to 39°).

Northern Ireland: Mostly dry with sunny intervals after clearance of any overnight mist or fog; perhaps rain or sleet later; wind S to SE, moderate, increasing to fresh; max temp 4° to 6° (39° to 43°).

Outlook for tomorrow and Thursday: Mostly dry but cold in East with overnight frost and fog. Sea passages: S North Sea, E, fair; N, rain; S, sun; SE, sleet; SW, snow.



Straits of Dover, English Channel (E): Wind mainly NE, light or moderate; sea smooth or slight chop. St George's Channel, Irish Sea: Wind variable, light, becoming S, increasing to fresh; sea smooth, becoming moderate.

Yesterday
London: Temp: max 6 am to 6 pm, 4°C (39°F); min 6 pm to 6 am, 3°C (37°F). Humidity, 6 pm to 6 am, 52 per cent. Rain, 24 hr to 6 pm, 1.4 mm. Sun, 24 hr to 6 pm, 1.05 hr. Bar, mean sea level, 6 pm, 1,015.4 millibars, rising.
1,000 millibars = 29.53 in.

Overseas selling prices
Australia \$2; Austria Sch 20; Belgium 10; Canada 10; Denmark 10; France 10; Germany 10; Greece 10; Hong Kong 10; India 10; Italy 10; Japan 10; Korea 10; Luxembourg 10; Malaysia 10; Mexico 10; Netherlands 10; New Zealand 10; Norway 10; Portugal 10; Singapore 10; South Africa 10; Sweden 10; Switzerland 10; Taiwan 10; Thailand 10; United Kingdom 10; USA 10; West Germany 10; Yugoslavia 10.

هكذا من الأصل

HOME NEWS

Leaders of Nalgo will oppose move for affiliation to Labour

By Donald Macintyre
Labour Reporter

Leaders of the National and Local Government Officers' Association will argue this summer for rejection of a proposal that the union, the country's fourth biggest, should affiliate to the Labour Party.

Affiliation by Nalgo, the biggest union within the TUC which is not joined to the Labour Party, would mean a significant boost to the party's "financial" and "grassroots" strength, the party's moderate wing.

The union's executive, however, will recommend to the annual conference that there is no purpose in a ballot on Labour Party affiliation at present and that the union should not establish a separate political fund.

The 750,000 members are in the executive report at the present state of the about Party gives great use for concern, and that an increasing amount of the me and energies of both the institutions and the unions seem to be taken up in bitter ruds between right and left.

The remark comes in an newly divided account, the se for and against affiliation, he report adds that the resent image of the Labour arty is one of an organization aring itself apart.

It also says: "It may well be necessary for the Labour Party to attempt to resolve its internal differences, but while the recess continues, members of unions such as Nalgo are unlikely to see much immediate advantage in affiliation."

The conference will see the first full debate in the union

on the merits of affiliation to the party. The executive decision not to conduct a ballot was passed by only 23 votes to 20 and there may be lively discussion.

The reference to the troubles of the party was inserted after production of the original report for the influential "Nalgo in the Eighties Committee".

As first disclosed in The Times, the original report, largely duplicated in the present one, said that affiliation would ease access to the Government when Labour was in power and that its policy on public services was closer to Labour than that of the Conservatives. At the same time, however, it gave a warning that affiliation moves might well divide the union.

Instead of setting up a political fund, which the report said might be seen by some as a backstairs move towards affiliation, the Nalgo executive has suggested a change in the rules that would allow the union to spend money on political, but non-party, purposes.

That would make clear, for example, that backing for the devolution campaign in Wales or for the Anti-Nuclear League was not in any way a breach of the union's constitution. In fact, advice so far to the union has been that such activity is not in any case unconstitutional, but some criticism has been voiced within the union.

The executive report says that the response from branches, although limited was overwhelmingly against affiliation and the creation of a political fund, and it seems clear that the membership is not yet ready for such a step.

Mackerel fishing restrictions outlined

By Hugh Clayton
Agriculture Correspondent

Ministers yesterday reimposed strict curbs on mackerel fishing off south-west England. The move came after Scottish trawlers had spent the winter catching fish off Cornwall for sale to processing vessels from such countries as Egypt, Bulgaria and East Germany.

Mr Alick Buchanan-Smith, Minister of State at the Ministry of Agriculture, Fisheries and Food, announced in a written Commons reply that the Government was reviving its ban on almost all mackerel catches from ships of all nations in an area of 4,000 square miles round much of the coastline of Devon and Cornwall.

"The prohibition is designed to reduce catching of immature mackerel", he said. Trawlers had to be kept out of the south-western fishery to "serve adequate quantities of mackerel for the vessels concerned to take later in the year".

The Cornish Fish Producers' Organisation said that the government moves were necessary but too late to safeguard immature fish.

Mrs Daphne Lowry, secretary of the organisation, said that if the Government continued its present timetable of curbs for many more years the mackerel stock would be severely damaged.



A site engineer inspecting 10 miles of battening on the new roof of the Great Hall at Bedford School, damaged by fire last year.

Prisons are falling apart, union leader says

By Peter Evans
Home Affairs Correspondent

Pentonville Prison, in north London was falling to bits, Mr K. E. Shirley, its administrative officer, told the House of Commons Home Affairs Committee yesterday. The structure of all local prisons had reached the same stage, he said.

Mr Shirley is chairman of the Prison Department outstations branch of the Society of Civil and Public Servants. Its members include executive grades of the prison service, but exclude governors.

The branch thinks there are better ways of controlling prison expenditure. It would like a budget for each one, and suggests millions of pounds could be saved by using civilians in certain jobs instead of prison officers.

Mr John Hunt, Conservative MP for Bromley, Ravensbourne, said the recent prison dispute had led to the suspension of prisoners on remand in court every eight days, and he asked if the arrangements should be made permanent.

Mr Gordon Gilbert, who is based at Hull and is secretary of the branch, said the dispute had illustrated that it was possible to cut down on unnecessary expense.

Water rate rise is cut after minister acts

By Christopher Warman
Local Government Correspondent

Increases in water charges in the North-west from April are to be reduced from 26 per cent to 16.5 per cent after government intervention.

The reduction has been made possible largely because of a relaxation of accounting rules by the Government, which has given the North West Water authority an extra £21m cash limit.

The Government stepped in when it saw that the range of water charge increases throughout England was between 14 and 28 per cent, and the Prime Minister announced two weeks ago that independent accountants were to conduct an immediate inquiry because of growing resentment at the size of the increases.

The results of the week-long exercise proved an embarrassment to Mr Michael Heseltine, secretary of State for the environment, who had ordered the inquiry.

The accountants' reports suggested that while small reductions might be made by the nine water authorities, the main cause of the increase in charges was the change to current cost accounting, which distorted the figures because of the enormous cost of replacing aging sewers.

Mr George Mann, chairman of the North West Water Authority, the second largest in the country told yesterday's meeting that only the Government could have done anything about the proposed increases, but that its increase of £21m in the cash limit had surprised them. At least it appeared that the difficulties facing the North-west were being recognized.

Mr Mann called on the Government to provide authorities with a water services grant, arguing that it was ridiculous that there was not such a grant for renewing the aged assets, such as sewers, whose replacement put too great a burden on the consumer.

Councils 'have duty to get value for money'

By Our Local Government Correspondent

Local authorities had a duty to ensure that they were getting the best value for ratepayers' money, Mr Tom King, Minister for Local Government and Environmental Services, said yesterday.

In a statement about a code of practice for councils in England and Wales recommending that they should publish an annual report and financial statement each year.

He believed that efficiency and economy could be secured only in a climate where essential information about the costs and levels of services was available to councillors, officials and the public.

The code is part of a campaign by the Government to strengthen the accountability of local authorities.

It calls for councils to compare their performance against other authorities, against their original plans and against their best achievements.

Pupils graded too high by their teachers

By Our Education Correspondent

Pupils' performance at O level and their teachers' estimates of their A level prospects are both poor predictors of their actual performance at A level, according to a study carried out by a former research officer with the Associated Examining Board.

When university applications are submitted, applicants who have not yet taken their A level examinations are required to give details of their O level results. Teachers are asked what A level results they would expect their pupils to obtain.

Dr Roger Murphy, now a lecturer at Southampton University, wanted to find out how much faith could be placed in those predictions.

Teachers tended to be too optimistic about pupils' results. Estimates were on average nearly a grade too high.

Dr Murphy's findings are published in this month's issue of the British Journal of Educational Psychology.

Division on school bus issue

By Diana Goides
Education Correspondent

Legal opinion is divided over the question whether local authorities will have a duty to provide free transport for any child who, under the new parental choice provisions of the Education Act, 1980, opts for a school which is not the nearest to home.

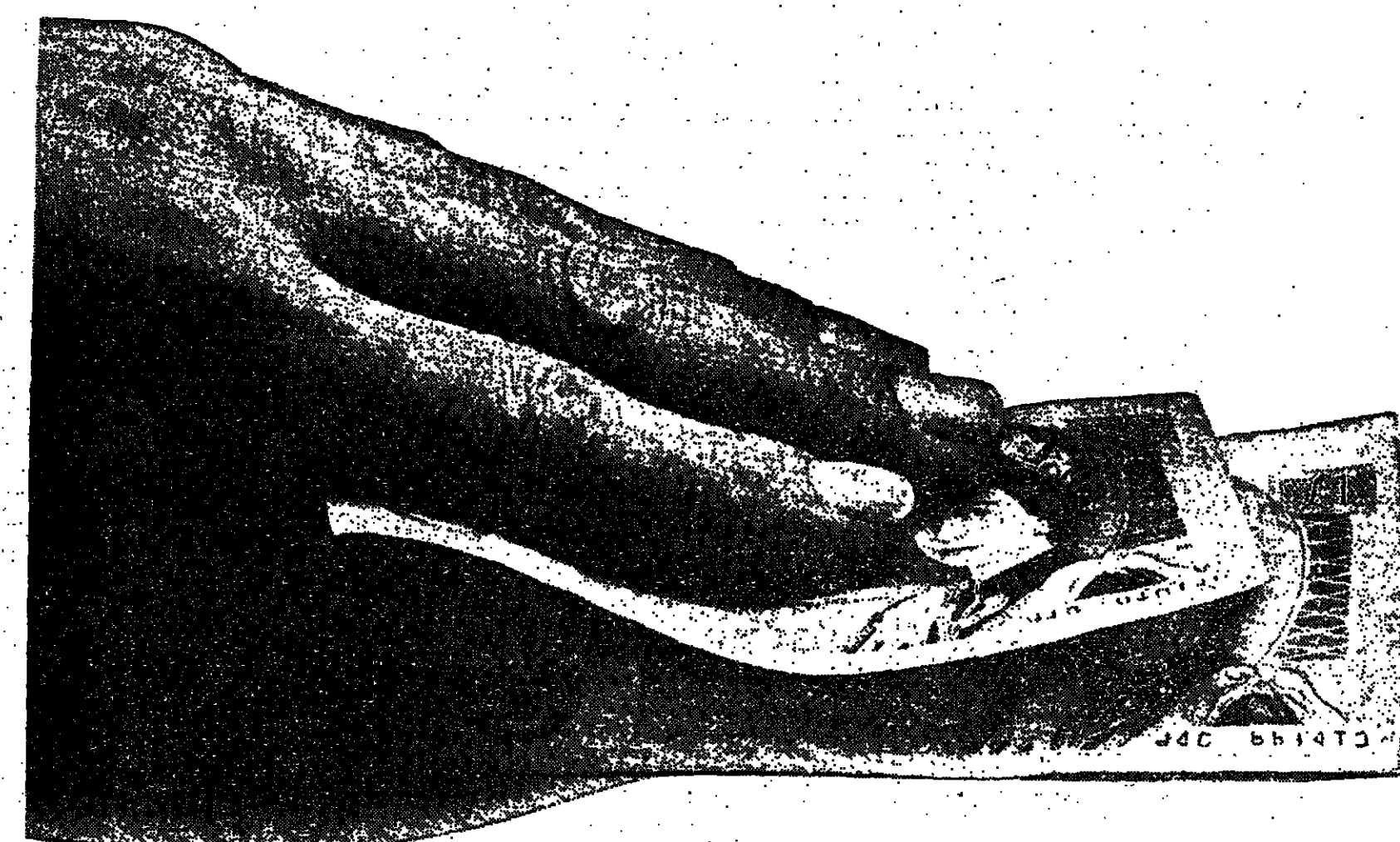
The matter has been brought to light by the Roman Catholic Church, which is concerned about the proposals by several education authorities to stop providing free transport for Roman Catholic children, but the issue affects all children.

The 1944 Education Act places no clear duty on a local authority to provide free transport for children attending denominational schools, although most authorities have done so. However, there is great pressure on authorities to cut spending, and transport, particularly for Roman Catholic children, is vulnerable.

The London boroughs of Enfield and Croydon have decided not to provide free transport for pupils transferring to denominational schools from September.

According to counsel's opinion given to the Catholic Education Council, clause 6 of the 1980 Act means that authorities will have to provide free transport to children who choose to go to church schools or, it seems, to any non-denominational school of their choice. The Department of Education and Science lawyers disagree. They say that the 1980 Act does not change local authorities' statutory duties.

Mr Mark Carlisle, Secretary of State for Education and Science, is said to be aware of the implications of the new law on parental choice. He is considering issuing guidance to local authorities urging them to provide some financial assistance with bus fares to pupils who would otherwise be prevented from attending the schools of their choice.



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please contact Brian Mann at the National Research Development Corporation, Kingsgate House, 66-74 Victoria Street, London SW1E 6SL. Or telephone 01-828 3400.

NRDC
Finance for innovation

Palace Theatre fit for a prince emerging as builders make way for players

With advance bookings worth nearly £300,000 from as far field as Birmingham and Scotland, the long-held dream of Manchester becoming the home of a national theatre seems likely to be realized.

The Palace Theatre, Manchester, which has been closed for three years and is being reconstructed at a cost of £3m, is due to open on March 18 with a six-week run of the musical, Jesus Christ Superstar, followed by a Royal Opera season.

A gala night has been arranged for March 22, with the Prince of Wales as principal guest and stars such as Paul Scofield, Danny La Rue and Lynn Seymour also present on the other side of the lights.

The modernization of the Palace has involved a substantial engineering task, taking in an adjoining office building and funding the stage area to 5100sq ft, the biggest in Britain apart from the Royal Opera House. Work is on schedule, according to Mr Forbes Cameron, the publicity and promotions director.

On a recent conducted tour it looked as impossible for the

Regional report

John Chartres
Manchester

work to be completed on time as it does when looking around, say, the Motor Show on the day before opening, but one could see that the special charm and atmosphere of a theatre created in the heyday of plush velvet, gilt plastic relief work, decorated mirrors and polished brass handrails was being retained.

The decision to go ahead with the Palace project was made only nine months ago after three years of wrangling during which the future of that theatre and Manchester's Opera House hung in the balance.

The city of Manchester, Greater Manchester County Council and the Arts Council of Great Britain have contributed probably the biggest individual donation came from Mr Raymond Slater, chairman of Northwest Holst, the civil engin-

earing and construction company which set up the Palace Theatre Trust in 1978 to buy the building.

Mr Slater is involved in another possible development in the area around the theatre including the building of a 2,500-seat concert hall, an hotel and a museum.

The Royal Opera's first United Kingdom season outside London for 17 years runs from May 7 to 30 presenting Tosca, Otello, Lohengrin and The Magic Flute.

Later attractions include a National Theatre season in June, a Doyly Carte fortnight and visits from the London Festival Ballet and the Glyndebourne Opera.

One of the most interesting aspects of the advance booking programme, Mr Cameron thinks, is that a substantial number of people are planning to come over the Pennines from Huddersfield, Leeds and points further east. It was always hoped that the theatre would bring cultural interests closer between what used to be called Yorkshire and what used to be called Lancashire.

HOME NEWS

Big rate increases are proposed for two northern cities

The 150,000 householders in Manchester face a big increase in rates this year after the city's finance committee yesterday recommended a 35 per cent rate increase.

A statement said that to avoid higher increases more than £6.75m had to be trimmed from committee budgets. The recommended savings include £1,198,810 from education, £1,197,810 from social services, more than £500,000 from recreation and nearly as much from environmental services.

The statement also said that income had been increased by raising council house rents by an average of £2 a week and by greater contributions to the general rate fund from the Manchester International Airport Authority.

Mr Norman Morris, leader of the council, said the black grant system favoured the wealthy shire counties and deprived needy urban areas such as Manchester.

"This is the year in which the Government's financial innovations make nonsense of the efforts of local authorities to produce sensible budgets," he said.

Liverpool decision: By the voting vote of the chairman, the Liberal leader, Sir Trevor Jones, Liverpool policy and finance committee yesterday

Whitehall brief: The power struggle taking place in Committee Room 15

MPs will seek to reinvent medieval wheeze

By Peter Hennessy

News that the Commons Select Committee on Procedure (Supply) is meeting this afternoon to hear evidence from the Treasury is not likely to lead to a stampede of lobby correspondents and members of the public down the Committee Corridor at Westminster.

At first sight, the discourse between the MPs under the chairmanship of Mr Terence Higgins, Conservative MP for Worthing and a former Financial Secretary to the Treasury, and the Treasury team led by Mr Michael Bridgesman, looks as promising as a bowl of porridge, food fit only for the kind of PhD thesis that can never find a publisher.



Mr Terence Higgins: Seeking cash control.

But the initial impression would be wrong. For Mr Higgins and his 14 colleagues are at the start of an enterprise that could restore to Westminster the kind of power over Whitehall it has long since lost by giving it back effective control over the purse strings, or, in snuff constitutional language, the right to grant or withhold supply.

The beauty of the Higgins committee is that it is set fair to reinvent the earliest wheeze devised by Parliament in the fourteenth century as a means of acquiring leverage over the Plantagenet Kings. If the monarchs failed to respect the rights of the nascent House of

Commons, while affording backbenchers the chance to examine aspects of policy, administration, and spending on a certain number of days each session.

The key to devising a highly effective reform could be the plugging in of the 14 new departmentally related select committees to the supply system. They could prove to be just the right kind of body, in terms of size and specialist support staff, to do a thorough job on the Government's spending plans, reporting to the whole House in time for backbenchers to raise the roof should the occasion demand.

Should the Higgins committee, which is fired by the widespread desire on many sides in the Commons to reassert the rights of backbenchers, take a strong line in their report (which may be ready by the summer) the steady tilting of the balance of power against Westminster and in favour of Whitehall in the twentieth century could be reversed.

Short of Mr Bridgesman's disclosing a Cabinet secret, this afternoon's hearing will not hit the headlines in tomorrow morning's newspapers. But the technical language and the intractable subject matter should not obscure the fact that in the phraseology of the "Kremlinologist", a "power struggle" of the first importance is under way in Committee Room 15.

A good idea of the choices open to the committee can be found in a memorandum prepared by Mr Kenneth Bradshaw, the Clerk Assistant in the Commons Clerk's Department. The purpose of the exercise is to give backbenchers the chance to debate and vote on individual estimates of expenditure instead of passing billions of pounds on the nod as happens now, with so-called supply days being used by the Opposition to air grievances against the Government.

Mr Bradshaw writes of the need to retain the right of the Government to ensure that its money comes through regularly and the right of the Opposition to choose subjects it wants to

Commons to have its grievances redressed they got no money to fight their wars.

At risk of causing mild offence to ministers and permanent secretaries, for "Plantagenets" one can nowadays read "Whitehall" and for wars substitute Trident missiles, investment for Britain, Leyland and so on. The difference is that since the Balfour reforms of 1902 the backbencher has lost more and more of the capacity to do to modern government departments what Simon de Montfort and com-

Call to repeal law on auction rings

By Frances Gibb

Dealers flout the criminal law against auction rings and the offence should be abolished, an article in this month's Criminal Law Review says.

There have been no successful prosecutions under the Auction (Bidding Agreements) Act, 1927, despite evidence that auction rings are widespread.

"A law that is widely ignored with impunity is entitled to no respect and it is necessary to ask again whether the criminal law is an appropriate method of attempting to control supposedly abusive practice."

Written by Mr A. T. H. Smith, a law lecturer and fellow of Gonville and Caius College, Cambridge, the article will be studied with interest by the antiquaries trade in the light of a pending prosecution against Thomas Agnew and Sons, the London dealers.

The Director of Public Prosecutions is bringing an action, seen as a test case, for alleged breach of the Act, which is to be heard on April 2 and 9 at Bow Street Magistrates' Court.

Agnew face a fine of up to £400 or possible exclusion from auctions for up to three years. Among questions raised by the Act is the difficulty of securing evidence of the existence of an auction ring, the article says. Dealers can too easily close ranks against an outsider seeking to investigate their offences.

"The agreement will be made orally, and in private. Infiltration of the ring by the police is virtually impossible."

The Act provides a mechanism whereby genuine partnerships between dealers can be notified to the auctioneers. But the Act is expressed to apply only if the agreement between them is in writing.

In the antiquaries trade, by tradition and practice business is conducted orally and for cash, and much of the negotiation must take place spontaneously, it says. It is hardly surprising therefore that the Act is difficult to enforce.

Criminal Law Review, February, 1981 (12, 60).



Young hopefuls: A small selection of thousands of children who arrived at the Apollo Victoria Theatre, in London, yesterday to audition for roles in the stage revival of *The Sound of Music*, which is due to open in August. In all, about ten thousand children and parents went to the theatre. Mr Ross Taylor, the producer, said: "I am overwhelmed". He had mentioned on television last week that he was looking for children to play the two sons and five daughters of the von Trapp family in the musical, which will star Petula Clark. The children went on stage to sing in batches of 30. Mr Taylor picked five at a time to return for full auditions on Thursday.

Television series to be abandoned after High Court ruling on union blacking

The television series, *Unforgettable*, is to be abandoned after a High Court judge refused to stop a union blacking the series. An official of Hadmor Productions, of Croydon, south London, which made the 13-part series about pop music stars, said the studio would be made redundant and the 120 staff laid off from today pending the result of the appeal.

Mr Justice Dillon said yesterday that in his view there was not sufficient evidence of any unlawful conduct by the union, the Association of Cinematograph, Television and Allied Technicians, or its officers.

Hadmor had sought temporary orders forcing the union and three named officials to lift the blacking instruction.

"Four of 13 half-hour episodes had been broadcast before the programme was taken off the air by Thames Television."

Mr David Heath Hadfield, a director of Hadmor, said: "This is a blow, not only to our company, but also to a lot of people like us."

Mr Robert Hamilton, a union national organizer, said he was delighted with the decision.

Giving judgment, the judge said that at the full trial of Hadmor's action it would be

£24m insurance claim over 'scuttled' tanker

A £24m insurance claim over an oil cargo that disappeared from the tanker, Salem, 213,928 tons, before it was alleged to have been scuttled off the coast of West Africa on January 17 last year started in the High Court in London yesterday.

Shell International Petroleum Company is seeking to recover the sum from a Lloyd's underwriters' syndicate, which is refusing to pay. It is suing Mr Caryl Anthony Vaughan Gibbs, as representative of the syndicate, who denies liability.

Mr Alan Pollock, QC, for Shell, told Mr Justice Mustill that the claim was over the loss of the cargo of 179,000 tons of crude oil bought by Shell after it had been loaded at a Kuwait port destined for Italy.

The ship, "under a conspiracy", Mr Pollock submitted, was diverted to Durban and the oil discharged. Later the vessel sailed with its tanks full of seawater to give the impression that it was still loaded, and was scuttled. "The sinking was not fortuitous, it was a deliberate act," Mr Pollock said.

Shell had recovered £14m from the SFF Association, the South African oil purchasing agency, that would be credited to the underwriters if they were held to be liable for the total loss, Mr Pollock said.

The oil was shipped from Mena for carriage to Italy in the tanker, which was then called the *Southern Sun*. It had been chartered by a firm called Pontoil, which sold its cargo to Shell, counsel said.

When it sailed and the insurance was taken out, its documents showed Italy as the

country of intended discharge.

After it sailed the owners gave the charterers an estimated time of arrival for Italy. Thereafter they received messages from time to time through agents that it was on course for the Italian port. Later it was discovered that it had sunk in the Atlantic off Senegal.

"In due course Shell took up and paid for the documents relating to the cargo and took steps to try to recover some or all of the oil in South Africa, but these efforts were fruitless. All they managed to do was to obtain compensation in a certain sum," Mr Pollock said.

Shell had paid Pontoil £56m for the cargo. "These matters having come to light, Shell asked the underwriters to pay and were prepared to give them credit for the amount recovered from South Africa. But their expectations proved to be naive. The underwriters refused to pay," Mr Pollock said.

Shell argued that the vessel had embarked on a voyage from Mena to Italy during which there was a loss from perils for which the underwriters had issued the insurance.

The underwriters claimed the tanker never embarked on that voyage but sailed from Mena to Durban, and therefore they were not liable.

Mr Pollock submitted that a conspiracy had been planned from October, 1978. The "conspirators" had collected the price of the oil from SFF and scuttled the ship in the Atlantic to conceal what had happened.

The hearing continues today.

Protesters delay inquiry on house sales

From Ronald Faux

Dundee

About a hundred demonstrators pushed their way into Dundee's council chamber yesterday as a public inquiry opened into the council's defiance of the Government over the sale of council houses.

The start of the hearing was delayed as the protesters crowded into the room; when they were told that standing was not allowed they sat down in front of Mr Hugh Morton, QC, the inquiry chairman.

After about twenty minutes the police were called. Mr Charles Bowman, leader of the Labour group and convenor of housing for the city, appealed for order as demonstrators outside the building chanted slogans and demanded that the council keep up its hostility to Council house sales. They eventually withdrew.

The hearing comes after numerous warnings from the Government that action would be taken against any local authority that failed to give tenants the opportunity to buy. Dundee was thought to be the only council in Britain still defying the Government.

Tax claim case against Clore estate begins

The Jersey-based executors of the estate of the late Sir Charles Clore, the financier, began a High Court action in London yesterday to block a hearing in English courts of a £15m tax claim against the estate by the Inland Revenue.

Syde Investments (Jersey) asked Mr Justice Goff to rule that the Inland Revenue does not have a worthwhile chance of winning its case, which states that the company is liable to pay capital transfer tax on the proceeds of a sale of a Herefordshire estate.

The company is also submitting that ancient charters granted to the people of Jersey provide immunity from United Kingdom taxation.

Mr Leslie Price, QC, for Syde Investments, said that before Sir Charles died last July he had transferred the Clore estate in Herefordshire, to the company. It therefore held the legal estate as trustee. When Sir Charles died that contract said had to be completed, and was completed in September.

The Inland Revenue's case against the company is that by completing the contract and receiving the sale proceeds it had "intermeddled" with Sir Charles's estate so as to become liable for capital transfer tax.

The hearing of the company's motion is expected to last a week.

Firms' staffs abroad may be watching pirated TV

By David Nicholson-Lord

Thousands of Britons working abroad may be watching illegally broadcast television programmes "pirated" by their companies, it was claimed yesterday.

The boom in video-recordings has resulted in many internationally known companies deliberately breaching copyright to record popular British programmes for staff in the Middle East, Africa and the North Sea oilfields, according to Mr Iain Muspratt, managing director of Guild Sound and Vision Ltd.

He was speaking after an action by his company, supported by the BBC and an independent television company, against Sir Alfred McAlpine International Ltd, the construction group.

McAlpine has paid £3,500 damages in an out-of-court settlement over the unauthor-

ized use of television material for its project staff in Sudan.

According to Guild Sound and Vision, about half the estimated £5m of "pirated" television material is catered for by illegally acquired material.

The company has gone to the courts after investing some £750,000 in buying the copyright for programmes from the television companies and arranging for the export of recordings.

McAlpine said last night that the programmes had been recorded for more than 100 British staff, including families, in Sudan. "We did not believe we were infringing copyright, but we took legal advice and it turns out that we were."

Under the terms of an injunction, all showings of recorded British television programmes at the Sudan camp had now stopped.

Dentist will not be prosecuted over man's death

From Our Correspondent

Workington

No criminal proceedings are to be taken against a dentist who administered an anaesthetic to two patients, one of whom subsequently died.

The patients visited the surgery of Mr Neil Parker, at Egremont, Cumbria, last September and collapsed after the anaesthetic was injected.

Both were admitted to hospital and Mr Paul Pickering, aged 23, a married man with two children, of Longcroft, Egremont, died after two weeks in hospital on a life support machine.

A police file on the incident was submitted to the Director of Public Prosecutions and Cumbria police said yesterday that he had decided that there will be no criminal proceedings.

Science project for schools wins minister's approval

By Pearce Wright

Science Editor

When a level pupils are unaware that a cow must have a calf before it will give milk, and particularly when some of those pupils live in a dairy county like Devon, there is something amiss in teaching, according to Mr John Lewis, senior science master at Malvern College and director of a project called Science and Society.

Introducing the scheme, he said in London yesterday that ignorance among students about agriculture was disclosed in a survey which also indicated a similar lack of understanding about matters affecting health and medicine.

The purpose of the Science and Society venture was to create awareness among all groups of pupils, whether or not they were following science

courses; it was not an alternative to any part of the curriculum.

Mr Neil Macfarlane, Parliamentary Under-Secretary for Education and Science, gave the project his support, describing the venture as one of the most significant and optimistic developments in school science.

He said awareness of the close relationship between science and the everyday world should be encouraged among young people of all levels of ability.

The Science and Society syllabus includes short essays prepared by the Association for Science Education working with Heinemann, the publishers. The course has been tried in colleges of further education and in 51 schools, including comprehensive, sixth-form colleges and independent schools.

Beware the Ides of March.

March 10th.
Budget Day.
Those of you who purchase Glenfiddich now, can reflect on the news with a smile.



EEC grant for energy from waste tests

A grant of £100,000 from the European Economic Community will enable a team from the University of Manchester Institute of Science and Technology to test the theory that a worthwhile contribution to the nation's energy needs could be made by reprocessing industrial waste and effluent.

With the grant the institute's pollution research group intends to build a pilot plant at the sweet factory of Swizzels, Matlow, in New Mills, Derbyshire.

The waste products should reduce factory fuel costs by 15 per cent.

WEST EUROPE

Tornado jet gives Bonn new set of problems

From Patricia Clough, Bonn, Feb 23

West Germany's dilemma over arms exports has been deepened by a request from Britain to sell jointly produced Tornado aircraft to Saudi Arabia.

The British move finds Bonn already torn by the prospect of a huge arms deal of its own with the Saudis.

The strategic, political and economic advantages to the West Germans in selling arms to Saudi Arabia—its biggest oil exporter and creditor—have clashed with the Government's own export restrictions and its historically sensitive relations with Israel. Large sections of the ruling Social Democratic Party oppose such a deal.

Mr Geoffrey Partia, Under-Secretary of State for Defence (RAF), is understood to have pressed the Germans, during a visit here last week, to agree to a possible sale of Tornados to the Saudis.

The supersonic multi-role combat jet is produced jointly by Britain, West Germany and Italy and can be exported only with the consent of all three.

Saudi Arabia has not actually asked for the Tornados, but the ruling Saudi Democratic Party, which already equips virtually the whole Saudi Air Force, is aware of Saudi interest in the aircraft and is anxious to take advantage of it. Unconfirmed reports put the number of aircraft involved at 100, while some West German newspapers claimed today that it was 200. If West Germany did not consent to the deal the Saudis would be expected to turn to American or French competition.

Herr Kurt Becker, the Government spokesman, has said the Cabinet will discuss the question at its weekly meeting on Wednesday.

Until now the Government has banned all arms exports to areas of tension as a matter of principle. Now the Chancellor and Herr Hans Dietrich Genscher, the Foreign Minister, are pressing for a change in the rules so that the Government can permit exports to such areas if it is in the overriding national interest.

It appears doubtful, however, whether Britain will get a quick answer. Since the prospect of selling some 300 Leopard 2 tanks and other modern weapons to Saudi Arabia arose, the Government and the two coalition partners have been in the process of re-examining their arms exports policies.

EEC Parliament move leads to controversy

By David Wood

The decision of the managerial bureau of the European Parliament to hold a second plenary session in Strasbourg, mainly to discuss the European Commission's proposals for 1981 farm prices, has already become a subject of controversy.

Carried by 11 votes to nine in the bureau last week, the decision means that Parliament will meet in Strasbourg on March 23-25, simultaneously with the summit council meeting in Maastricht and the meeting of the council of agricultural ministers on March 23-25.

The main purpose of the plenary session is to influence the council of agricultural ministers in their attitude to farm price increases.

The likelihood of a strike by parliamentary staff is growing. Parliament is moving resolutely towards one seat for all plenary sessions, which would have the effect of cutting out Luxembourg where the staff have their homes and work.

Paris schoolboy routs burglars

Paris, Feb 23.—French newspapers today paid tribute to a 12-year-old boy who fought off four burglars with an airgun and a penknife.

Nicolas Matarrese was alone at home in the Paris suburb of Ivry-sur-Seine when the gang burst in. He shot one in the arm, stabbed another in the shoulder and sent all four running. — Agence France Presse.

How 'Liberation' was imprisoned by harsh economic facts

From Charles Hargrove, Paris, Feb 23

For seven years, the leftist daily newspaper *Liberation* successfully defied the accepted rules of modern newspaper production and management. Its staff took pride in the fact that they were not professionals in business or in journalism; that there was no editorial hierarchy, or indeed any hierarchy at all; that all those who worked for it were paid exactly the same token salary, whatever their responsibilities; and that it was produced by consensus of all its members on the lines of a collective or commune.

But the harsh realities of economic life—and paradoxically, its success—have in the long run got the better of this last concrete survival of the great liberator's dream of May, 1968, of which it is a belated offshoot.

A last "memorial" issue was on sale today at kiosks and bookstalls. Publication is now being suspended for several weeks while a more down-to-earth, workmanlike pattern of this unique contribution to the Paris press is hammered out.

A transitional version of *Liberation* will fill the gap until the autumn, when the new look version will be ready. According to its editor-in-chief, M. Pierre July, himself one of the survivors of the militant students of 1968, this will combine the changes necessary for survival with loyalty to the newspaper's original ideas.

"An editor who has to obtain the consensus of his staff every day is not in a position to edit," he explained before handing in his resignation early last week, along with three other key members of the team.

The decision to suspend publication was taken on Saturday at a meeting of the 140-odd full-time salaried members of the staff. It marked the culmination of a crisis, from which the newspaper has suffered since 1978, when M. July had already threatened to resign. But this time he meant it.



Police standing by as a tank smashes through a barricade erected by squatters in Nijmegen.

Police use tanks to evict squatters in Nijmegen

From Robert Schull, Amsterdam, Feb 23

Violent confrontation between police and squatters today spread for the first time to the Dutch provinces. In the centre of Nijmegen, near the border with West Germany, nearly 2,000 policemen used tear gas and three tanks as bulldozers to evict 150 squatters from 14 houses and one warehouse which are being demolished to make way for a car park.

The police first had to remove forcibly hundreds of demonstrators who had blocked the streets leading to the houses. Then 500 policemen moved in behind the tanks and stormed into the buildings.

The police went into action in the early hours of this morning after a court had given the squatters until midnight

last Saturday to leave of their own accord. Before the action, a police helicopter dropped leaflets warning the squatters that the police had orders to shoot if molotov cocktails or other incendiary devices were used against them.

The operation took two and a half hours, and eight policemen were injured by bricks hurled by the demonstrators. It is not known how many squatters and their sympathisers were injured. Five people were arrested.

The city centre and the bridge over the Waal river, one of the main routes into the city, were sealed off for the operation. Later there were several more clashes between the police and demonstrators supporting the squatters.

It is estimated that the operation cost nearly £200,000.

The pictures, one of which was published by the respected Madrid daily *El Pais* prior to the terrorist demand, show what appears to be a body of the dead man and burns on the soles of his feet.

There was no immediate reaction from the authorities to the Basque demand for publicity, and none was expected, since parliament was due to vote on the proposed candidacy for Prime Minister of Señor Leopoldo Calvo Sotelo, of the Centre Democratic Union, Spain's biggest party, who was nominated by King Juan Carlos.

One of the first reactions came from the leader of the right-wing Democratic Coalition, Señor Manuel Fraga Iribarne, who told a group of foreign newsmen: "Amnesty International's reports have never been worth any special consideration on my part."

Apart from the attitudes of individual editors concerned, the fulfilment of the Basque revolutionaries' conditions was considered highly unlikely, here on the ground that Spanish legislation penalizes the publication and dissemination of what is known as "apology for terrorism."

Broadcast on prime time by the state-run television service and publication by newspapers of 18 photographs, said to be of the body of Señor José Arregui, a member of ETA who died early this month in Madrid

Basque kidnappers dictate terms for consuls' release

From Harry Debelius, Madrid, Feb 23

Taking a leaf from the book of Italian terrorists, Basque extremists who kidnapped three consuls in northern Spain today demanded widespread publication and broadcast of reports and photographs relating to alleged police brutality, in exchange for releasing their hostages.

The military political wing of ETA, the separatist organization, which last Thursday seized the consuls of Austria and El Salvador in Bilbao, and the Uruguayan consul in Pamplona, said in a communiqué issued to a radio station in the Basque country that the consuls' release will be subject to the following conditions:

The broadcast in full of an Amnesty International report in 1980 on police brutality, by Spain's state-run television network and the country's principal radio stations, and publication of the same report in full by all national daily newspapers.

Similar publication and broadcast of the full text of a report on alleged violations of human rights by the national police and the paramilitary Civil Guard, prepared by the Basque regional Parliament.

Broadcast on prime time by the state-run television service and publication by newspapers of 18 photographs, said to be of the body of Señor José Arregui, a member of ETA who died early this month in Madrid

agreed to hold their first full debate on the price proposals on March 16 and 17 in Brussels and to try to reach a final settlement at a market meeting on March 30 and 31 and, if necessary, on April 1.

Before leaving for home tomorrow, Mr Walker will insist on extending for at least another month the arrangements for New Zealand butter imports to Britain.

Since the beginning of the year the French have been blocking a proposed new three-year regime for New Zealand butter imports during which their volume would be brought down by stages from 93,000 tonnes to 90,000 tonnes a year.

The French want the imports reduced to a much lower level immediately to leave more room for a shrinking British market for EEC suppliers. They also refuse to agree to any arrangements lasting longer than one year.

For his part Mr Walker insists that only a three-year deal will do. Given this stalemate, the agriculture ministers have been renewing existing arrangements on a monthly basis pending a settlement of the dispute.

First reactions to the Commission's price package have revealed a wide range of objections from member states, as is only to be expected at this stage in the negotiations.

Mr Walker's main problem is with the proposal for a 5 per cent reduction of the "green pound" which would reduce by the same amount the benefit to British farmers of any common price rise agreed.

Mr Walker could not possibly accept this without incurring the wrath of his farmers who claim to have suffered a 24 per cent drop in income last year.

That was why M. July and those who supported him argued last autumn that *Liberation* needed a complete face-lift, to turn it into a modern newspaper, and not just a journalistic gimmick, however provocative and stimulating. It needed more orthodox management and methods of production, a departmental structure in charge of permanent specialists, possibly even the introduction of advertising, and more "normal" pay scales.

The nostalgics of May, 1968, on the paper fought a powerful rear-guard action. But a majority felt that if M. July left, the paper would cease to exist, and that survival was the price of these concessions. But it is hard for an organization which has always rejected any form of hierarchy to be forced to adopt it, and to compromise with some of the principles of a capitalist society it has always condemned.

"It is a leap into the unknown," M. July remarked. "But those who do not change are under sentence of death." Even revolutionaries must renew themselves.

But apart from the internal problems which had begun to crop up between the Ancients and the Moderns, and their different conceptions of how a paper should be run and what it should contain, the practical difficulties of "worker participation" in management began to be felt. The rejection of specialization and the material difficulties for each staff member of making ends meet on a uniform salary of 3,500 francs (about £300) a month, brought serious problems. Sales began to stagnate, routine was creeping in, and

the old crusading spirit was wearing off.

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OVERSEAS

South Africa plans tough line against black unions

From Nicholas Ashford, Johannesburg, Feb 23

The South African Government is planning to take a tougher line with the country's rapidly expanding and increasingly militant black trade unions.

At the weekend Mr Fanie Botha, the Minister of Manpower Utilization, said that the newly-established industrial court may be used to discipline certain unions.

The warning follows a speech last week by General Magnus Malan, the Defence Minister, in which he said that labour unrest was being planned by the banned African National Congress, using "front organizations" for this purpose.

Taken together the two speeches represent the sharpest government attack on sections of the labour movement for some time, reflecting official impatience with black workers' militancy and the growth of an unregistered (predominantly black) union movement.

Under present legislation, unions are supposed to be "registered" with the Department of Manpower Utilization. Once registered, they are expected to follow certain practices and dispute procedures.

However, the department has shown itself to be choosy over which unions it decides to register. It agreed to register four unions affiliated to the non-racial Federation of South African Trade Unions, but only on a racial basis.

The Federation and another umbrella body, known as the Council of Unions of South Africa, are the only members of the independent black union movement which have agreed to seek government registration.

Others have preferred to remain "unregistered" and it is these unions in particular against which the Government has issued its latest warnings.

If the vast majority of the independent black union movement remains outside the official bargaining system, this would not only weaken the credibility of the new labour system within South Africa but also with trade unions overseas.

White officer accused of killing child

From Ray Kennedy, Johannesburg, Feb 23

A national service subaltern in the South African Army dragged to four privates as he aimed at a group of black children: "See how frightened a Kafir is when he sees a rifle", a court was told today. [The term Kafir for black is one of the most insulting in the white vocabulary.]

An officer is charged with the murder of an African child. Rifleman Jan Hartingh, aged 20, told the court at Klerksdorp, 100 miles south west of Johannesburg, that he, Lieutenant Jacobus Botha, aged 19, and Phillippe Locat, the Minister of Culture and Communication, solemnly acknowledges that the Alsace dialect is "a fundamental and very vigorous element of the Alsatian cultural heritage."

Generations of Alsace public men, whose patriotism was never remotely suspect, have pleaded in vain for the official recognition of the dialect.

The second cultural charter of Alsace, solemnly signed this week in Strasbourg by M. Jean Philippe Locat, the Minister of Culture and Communication, solemnly acknowledges that the Alsace dialect is "a fundamental and very vigorous element of the Alsatian cultural heritage."

Private Hartingh said Lieutenant Botha was shooting at traffic signs along the road. A group of children were walking along the road, homebound after a morning at school, the court was told. Among them was Petrus Makwabe, aged nine, and Christian Thipe, aged 12.

Another soldier, Private Johannes van Zyl, said Lieutenant Botha aimed the rifle at the children from across the car roof.

Lieutenant Botha is charged with the murder of a child and the attempted murder of three others with the attempted murder of Christian Thipe. Three other national servicemen, Privates Christo Gouwus, aged 20, Lester de Bomm, aged 19, and Hendrik Koender, aged 20, are charged as accessories. They have pleaded not guilty.

The hearing continues tomorrow.

That was in turn a development of his earlier work in England, as a Church Army officer with the Church of England Board of Education and then as Director of Lay

Dr Runcie expects missionaries to leave Iran tomorrow

By Clifford Longley, Religious Affairs Correspondent

The release and imminent return of the three British missionaries held in Iran was announced by the Archbishop of Canterbury, Dr Robert Runcie, to the opening session of the General Synod of the Church of England yesterday.

"You will share, I know, my delight at such an outcome after so many months of prayer and anxiety," he also paid a striking tribute to the Iranian authorities.

He expected the missionaries to return tomorrow, and referred to the "extraordinary Christian dignity and fortitude" which they had maintained throughout their imprisonment. He praised the rôle of Mr Terry Waite, his special envoy, in Iran, who had taken some risks and shown great courage in the course of his "nerve-racking couple of months."

"The Iranian authorities have pursued their investigation to a point where the case has been dismissed, and the evidence seen to be forged and the result of a conspiracy, in a way that illustrates a concern for truth and justice, even in the midst of war and internal difficulty."

He hoped very much that this will lead to better understanding between the Iranian authorities and the Anglican Church, as well as between Iran and Britain, and that we can look forward to a new chapter of cooperation.

Dr Runcie offered as an example to all the missionaries' refusal to react with accusations or rancour. Spy trial fear: Iranian officials will be asked today to explain why they have changed their minds about releasing Mr Andrew Pyke, a British businessman held for the past six months (Tony Allaway writes from Tehran).

Some of them there were growing indications that Mr Pyke would be tried by a revolutionary court on charges of espionage and embezzlement. One source said a trial was "almost certain."

Behind the discretion being maintained by Swedish diplomats handling Britain's interests in Tehran and British diplomats working with them, it was possible to detect an air of frustration at the latest twist in the story. The diplomats emphasized that as far as they were concerned the cases of all four were inseparable.

Man in the News

The unusual career of the Archbishop's envoy

By Clifford Longley, Religious Affairs Correspondent

Mr Terry Waite's rôle in the freeing of the Anglican missionaries in Iran is the latest chapter in an unusual church career.

He is a lay member of the Church of England with degrees in Theology. Immediately before joining the personal staff of the Archbishop of Canterbury at Lambeth Palace last year, his employer was the Roman Catholic Church, in Rome.

He spent eight years as a consultant to the Medical Mission Sisters and subsequently to the Sisters of the Immaculate Heart of Mary, two Roman Catholic teaching and nursing orders, in the Congo.

He was in turn a development of his earlier work in England, as a Church Army officer with the Church of England Board of Education and then as Director of Lay

orders to adapt to the changing circumstances of mission in Africa, in a post colonial society. The work has equipped him with valuable insight into the situation of Anglican missionary activity in Iran, particularly the problems which arise from the European form of Christianity encounters non-Western cultural barriers and misunderstandings.

His selection as a non-Catholic for the unusual post in the Roman Catholic Church was a surprise. He worked from 1968 to 1971 as adviser to the first African Archbishop in the Anglican Church in Uganda, the Most Rev. Eric Sabuni.

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Carter policies blamed for Soviet 'ring of steel'

From Michael Leapman, New York, Feb 23

Mrs Jeanne Kirkpatrick, the new United States representative to the United Nations, says that President Carter's human rights policies are partly responsible for "the threat of a ring of Soviet bases being established on and around our borders."

She made the claim in an interview in *US News and World Reports* in which she gave the most articulate exposition yet of the Reagan Administration's approach to human rights.

The Carter policy, she asserted, was Utopian and arbitrary, it took no account of political and historical context, and it did not work. It used a concept of human rights that was far too broad, embracing not only democratic rights but also economic rights.

It was a mistake, she argued, to exhort and humiliate people publicly, to treat them like moral pariahs, rather than to use quiet persuasion and diplomacy. "The principal function of the policy has been to move us full speed about ourselves. But it is not an appropriate foreign policy goal."

She said the new Administration would not turn its back on human rights: "but our approach will be different."

Taking the specific example of El Salvador, she said that the Government was reformist, but should be allowed to judge for itself what it should do to carry out reforms. They could not be expected to do so during a civil war.

Rebels' denial: Rebels fighting the military government in El Salvador have denied American allegations they are receiving military aid from Cuba and other communist countries (John Witherspoon writes).

In a telex relayed to *The Times* from West Germany, the Revolutionary Front (FR) said they had not received weapons from Vietnam, Ethiopia, Cuba or the Soviet Union.

The arms used by the rebels, estimated to number about 8,700 full-time and part-time combatants, were instead made, captured or bought.

The statement was issued after recent claims by the United States that communist countries had agreed to supply the rebels with lavish military aid channelled through Cuba.

The group also criticized the efforts of Mr Lawrence Eagleburger, the designated Assistant Secretary for Europe, who has been touring European capitals seeking support for the American stand on El Salvador.

The State Department has released a collection of documents captured from Salvadoran guerrillas. The papers sustain a claim that Salvadoran insurgency is actively supported by communist power.

At a press conference this morning given by a department official, and in a broadcast given yesterday by a senior White House official, the possibility of drastic action to stop the supply of communist arms was specifically kept open.

The documents were captured by Salvadoran security forces in two lots, the first in an art gallery belonging to the brother of the general-secretary of the Salvadoran Communist Party, the second from the People's Revolutionary Army, another of the four main groups that make up the insurgency. The documents weighed 18lb.

The papers mention 800 tons of arms to be supplied from a number of countries, including Vietnam, Ethiopia, several European countries and the Soviet Union. Photographs of a lorry load of these arms, said to be intercepted in Honduras, were included in the publication.

The State Department dismisses charges that the documents are a fabrication.

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During this varied career, he is still over 41—Mr Waite has also played a representative rôle in such organizations as the House of Laity of the Church Assembly, which he represented on the Anglican Consultative Council at its first meeting in Nairobi.

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OVERSEAS

Camp David accords are shelved as America concentrates on wider threat from Soviet Union

From David Cross
Washington, Feb 23

The United States is more concerned with the Soviet threat to the security of the Middle East and South-West Asia than the stalled Palestinian negotiations, Mr Alexander Haig, the Secretary of State, has told Israeli leaders.

For this reason, President Reagan's Administration is in no hurry to reappoint a successor to Mr Sol Linowitz, who was Mr Carter's special envoy to the autonomy talks, or to revive itself in the Camp David process, well-informed officials said here today.

They were commenting on the visit of senior foreign policy advisers and Mr Yitzhak Rabin, the Israeli Foreign Minister.

Mr Shamir, who is the first member of the Israeli cabinet to visit Washington since Mr Reagan took office, met Mr Haig Friday and will see Mr Reagan at the White House tomorrow.

According to the officials, Haig explained to Mr Rabin that if the new Administration was to be concerned with its overall strategy, it must first devote its attention to Soviet expansionism in the parts of the world.

Hence it was studying Soviet Cuban arms supplies to the Central American state of El Salvador because this was

where the problem was most urgent at the moment.

But in the longer term, one of the priorities of the Soviet Union was to take over by various means—including subversion—the whole of the Middle East region between Israel and the Gulf, Mr Haig was reported to have said.

It was essential, therefore, for America's allies in that area, particularly the Israelis, but also the Egyptians and the Saudi Arabians, to bend their attention to this strategic problem.

Mr Haig apparently made it clear to Mr Shamir that Washington would do all it could to strengthen its Middle Eastern allies both militarily and economically to withstand the Soviet threat. Predictably the Israeli Foreign Minister was delighted to hear that his country would continue to receive some \$2.6bn (£977m) worth of assistance next year in spite of the 25 per cent cut in America's foreign aid programme next year.

Equally predictably, he was less pleased to hear that Washington will probably agree to supply the Saudi Arabians with additional military equipment for their American-built F15 jet fighters.

The Israelis are concerned that the extra fuel tanks, bomb racks and aerial refuelling equipment likely to go to

Riyadh could conceivably be used to attack Israel.

By all accounts, Mr Shamir was keen to persuade the new Administration to engage itself swiftly and actively in the continuation of the Camp David peace process when he first arrived here last week.

One of Israel's main concerns during the run-up to its general elections on June 30 is to do everything it can to avoid any new confrontation with its Arab neighbours, and a resumption of the Palestinian peace talks was regarded as a possible means of helping to ensure a relatively calm atmosphere in the Middle East.

But, according to Israeli officials, Mr Shamir willingly accepted Mr Haig's line of reasoning, for not involving Washington in the peace process at this early stage in the life of the new Administration.

One point of particular concern to the Europeans which emerged from United States-Israeli talks here was an apparent lack of enthusiasm by the new Administration for the European Community's separate peace initiative in the Middle East.

According to the officials, Lord Carrington, the British Foreign Secretary, is expected to be asked by Mr Haig later this week to do all he can to prevent the initiative from developing any further.

Beirut calls for help after Israeli attack

From Tewfik Mishlawi
Beirut, Feb 23

Mr Chafik al-Wazzan, the Lebanese Prime Minister, today appealed for "pan-Arab help" to confront what he called repeated Israeli "attacks on Lebanese territory".

His appeal came less than 24 hours after Israeli commandos attacked the southern Lebanese village of Kfour, which is a few miles from the Israeli frontier.

At least seven people, including four guerrillas, were killed and about 15 others wounded, according to Palestinian sources. Israeli military sources said 10 Palestinians were killed and all Israeli troops returned home safely.

The main target of the attack was a guerrilla base belonging to the pro-Israeli Arab Liberation Front, which Israel holds responsible for a commando raid on the Misgav Am settlement in northern Israel last year. Three Israelis were killed and 13 others were wounded.

Israeli gunboats also bombed Palestinian guerrilla targets yesterday between the coastal towns of Sidon and Tyre, but no casualties were reported. Long-range artillery duels were also reported between the guerrillas and Israeli-backed Lebanese right-wing militias, led by Major Saad Haddad.

Mr Yassir Arafat, the Palestine Liberation Organization leader, said yesterday that the United States and Israel were in collusion regarding their plans "to crush the Palestinians in southern Lebanon".

Speaking at a rally in Beirut, Mr Arafat said that Mr Alexander Haig, the American Secretary of State, had "given the green light" to his Israeli



Israeli troops leaving their aircraft after returning from a raid in south Lebanon.

Italy seeks extradition of Jew in Norway

From Peter Nichols
Rome, Feb 23

A renewed zeal in seeking alleged perpetrators of international assassinations on Italian soil is confirmed by the news that the authorities have called for the extradition of a Jewish woman living in Norway.

She is accused of having been involved in the murder here in October, 1972, of Wail Zwaiter, a Palestinian.

The accused woman is best known as Sylvia Rafael. She is said to have been Patricia Leary Roxburg. In 1976, she married her Norwegian defence lawyer in a ceremony in South Africa and two years later she went to live in Norway.

Last December, the Italian authorities renewed their request for her extradition.

After Mr Zwaiter's death, his close friend and fellow Palestinian, Mahmoud Hamchari, was killed in Paris. The following month, Bechir Husain was killed in Nicosia, and, in April, 1973, Kubaissi Basil was murdered in Paris.

In June, 1973, Muhammad Boudia was killed in Paris and Aled Bouchki was murdered in Oslo.

Six people were arrested, including Sylvia Rafael. She is said to have served as a headquarters for terrorist operations.

After her arrest in Norway, she was jailed for 23 months. Soon after her release she married her lawyer. After her return to Norway, the Italian authorities formally renewed the request for extradition.

European role in Middle East vital for US

George Clark
Lithia Correspondent

Mrs Thatcher has the opportunity in Washington this week to convince the Reagan Administration that their suspicions about the European initiative in settling the Arab-Israeli dispute are misplaced, Dr David Owen, MP for Devonport and Foreign Secretary in the last Labour government, said last night.

The involvement of Europe in essential steps towards the ending of the peace process, building on Camp David, is not challenging the United States leadership role, he told a meeting of the United Nations Association.

European involvement could be the key to the involve-

ment of the Soviet Union in the process, not as a prime mover or an initiator, but as an important and indeed probably essential factor in clinching a settlement and maintaining it.

"It would be unwise for the United States or for anyone committed to peace in the Middle East to toss aside President Brezhnev's wish to become once again involved in a search for a peace settlement."

Dr Owen said there were important nations in the Middle East region which would seek to undermine any settlement if the Soviet Union did not exert on them a restraining influence.

President Sadat of Egypt had shown enough vision in the past on this issue to justify the hope that he, too, would recognize

that there was a limited, though not dominant, role for the Soviet Union.

Dr Owen argued that the settlement of the Arab-Israeli dispute remained of central importance to world peace. Few other international conflicts were potentially as explosive.

"A settlement requires that the new American Administration gives the issue the highest diplomatic priority," he said.

"Few people doubt that this is an area for United States leadership, but that does not mean an exclusive relationship."

"Just as there is a European interest and European influence to be exercised, so also it is impossible to envisage shutting out completely the Soviet Union from the peace process."

New road overlooking Jordan Valley tightens grip on West Bank

From Christopher Walker
Ma'aleh Edumim, Feb 23

Israel's tightening grip over the occupied West Bank was defiantly displayed to the world today with an elaborate military ceremony in the Judean desert to open the longest and most expensive new road built in the territory since it was seized from the Arabs in 1967.

With heavily armed Israeli

troops ringing the surrounding barren hillsides, against a backdrop provided by a giant Star of David, Mr Menachem Begin, the Prime Minister, cut the tape on 30 miles of road named after Mr Yigael Alon, the late Foreign Minister.

Costing an estimated £4.5m, the new asphalt road runs northwards from this chain of Jewish settlements between Jerusalem and occupied

Jericho, along a strategic and inhospitable ridge overlooking the Jordan Valley. Its completion brings to more than 125 miles the length of road built by the Israelis since they conquered the West Bank.

Designed to a master plan intended to link the growing number of Jewish settlements in time of war, the rapidly expanding Israeli road network

is changing the map of the area. Western military experts claim it has already greatly increased the facility with which the West Bank could be defended.

Addressing a crowd of some 250 Jewish settlers, Mr Begin stressed that the Alon Road was situated in Eretz Israel, of the Biblical land of Israel. A senior official told reporters that the presence of a right-wing Prime Minister, opening a

road named after one of his former left-wing rivals, was a sign of the "national consensus" over that part of the West Bank which would never be handed back.

Also present were the housing minister, Mr David Levy, a noted Cabinet hawk, and a possible successor to Mr Begin as leader of the Herut Party, and General Eitan, the Israeli Chief of Staff.

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Lord Chancellor's Department Unique experience for the incisive lawyer

The Lord Chancellor's Department is at the heart of our legal system—and for the incisive lawyer it offers a unique working experience. There are currently vacancies in three parts of the Department.

Headquarters Office (3 posts)
Legal staff assist the Lord Chancellor in his role as the senior law minister and deal with the many matters of general legal importance that come before him. They are concerned with the preparation and passage through Parliament of primary legislation which reforms the general civil law or is connected with the administration of justice, and they advise and assist as lawyers, in the organisation and administration of the Supreme Court, the county courts and legal aid. There may be opportunities to transfer later to

Crown and County Court administration work, which is based at six centres throughout the country. A good law degree would be an advantage.

Criminal Appeal Office (1 post)
Every year, more than 6,000 applications for leave to appeal against Crown Court conviction of sentence are handled by the Criminal Appeal Office. These often difficult cases are dealt with by small teams of professional and non-professional staff and preparation of summaries for all cases reaching court is one of the lawyers' most interesting and important functions. Some have the opportunity to sit as Registrar in court, all have contact, in the course of their work, with the judges—from the Lord Chief Justice downwards—and with counsel and solicitors.

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For further details and an application form (to be returned by 13 March 1981) write to Civil Service Commission, Alencon Link, Basingstoke, Hants, RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours). Please quote ref: G(A)5762.

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Right-wing protest as the Pope visits Japan

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AN ATTEMPTED COUP IN SPAIN

An attempted coup d'état in Spain is bad news for Spain, but for those in the rest of the world who are concerned with what happens there, it shows the old reflexes on the right are still alive, and that some of them are too ready to turn to violence. But if the incident is contained, and treated as a contained event, it will perhaps show the facility of generalists of this sort, and so put an end to the rumblings of conspiracy which are known to have taken place.

Spain now has appeared to have made a remarkably smooth transition to democracy, the death of General Franco. The hope has been that it would be a different country from what it was in 1936, when Franco began his uprising against the Republic. The Republic was a horror and is extremely difficult to avoid anything similar in the future. The country has turned to the mainstream of European events with its application to become a member of the European Community and its stated intention of joining it.

At the time, however, there have been people in the armed forces and on the right who have been unhappy about the way things have been going. They have been upset by a number

of different things—by the concessions made by General Suarez's Government to nationalists in the Basque country, Catalonia, and elsewhere, by Basque terrorism, by plans to legalise divorce, and by what they saw as growing lawlessness and disorder in national life, typified by an increase in crime. At the same time, the Spanish economy has been hit harder than most by the effects of the world recession, and it has been all too easy to blame that, too, on the government—ignoring the fact that the international economic climate was much easier in Franco's day.

The hope had been that views of this sort could be regarded as no more than the normal consequence of the long years of dictatorship, and that they would fade away as the years passed. But even before last night's turbulence in Madrid, the events of the past few weeks, since General Suarez announced his resignation as Prime Minister, had suggested that the situation was not as calm as it appeared. General Suarez's resignation has still not been officially explained, but it was clear that it was very largely prompted by criticisms from the rightists within his own party. The resulting weakness of the governing party, the Union of the Democratic Centre, split between feuding factions at its congress in Majorca, can have done little to reassure those looking for firm government.

Most critical of all has been the situation in the Basque country. The right have no tolerance at all for the aspirations of the Basques and other minority groups for greater autonomy within Spain; this was one of the main reasons for Franco's uprising. When King Juan Carlos went to the Basque country earlier this month, and the extremists of Herrri Batasuna mounted a demonstration against him, they regarded it as an affront. Then came the shock incident when Basque terrorists kidnapped and killed a technician from a nuclear power station, which drew almost universal condemnation, even in the Basque country. When, after that, it transpired that a suspected terrorist had been tortured and killed under interrogation, and those responsible were publicly censured, it must have seemed to many exaggerate supporters of the Franco regime that the priorities were entirely wrong; so little understanding do they have of democratic life.

The most important thing now is that the democratic process should be reaffirmed. Life is not going to be easy for General Calvo Sotelo, once he is confirmed as prime minister, given Spain's many difficulties. But all those who support democracy in Spain, from the king down, must be encouraged to persevere. And friendly countries in the rest of Europe should show that they, too, are concerned.

R BREZHNEV'S GLOOMY SPEECH

Years ago Mr Brezhnev told twenty-fifth party congress it should feel "profound satisfaction with the force of our activity, the activity of our policy, the creative energy of our people". The Soviet Union was "winning richer, stronger and more influential", he said. Public life had become "more full and colourful". Socialist order had been further deepened. "And what can give more joy than to see how the life of the people is being raised, how its creative energy is growing?"

Yesterday's speech to the sixteenth party congress was the opposite. Creative energy seems in evidence. Mr Brezhnev cited the shortcomings of the educational system and described the turning away in boredom from their television sets and newspapers. He talked of alcoholism and food shortages and the trade unions to be more active in defending the rights of workers. He seems aware that country is grumbling, that glittering future seems far away than ever, and that party is losing access to the hearts and minds of the people. He does not seem to have any idea what to do about it. Technical education is the oldest revived without a diet of bleached achievement.

The underlying trouble is that the gap between theory and reality is getting wider all the time and can no longer be hidden in view. Mr Brezhnev seemed to acknowledge this by calling a new party programme to face the optimistic document of 1961, which promised the people that they would lead up the United States and stand on the threshold of communism by 1981. Prudently he said that the new programme would concentrate on basic

principles and avoid specifics. He does not want to look as naive as Mr Khrushchev in twenty years' time. It is, however, significant that he put on record the need to adjust party doctrine to new realities. Perhaps this is the first small beginning of the major revisions which his successors will have to undertake if communist theory is to have any chance of re-connecting with reality.

Meanwhile it is Mr Brezhnev's views on the world situation that are of most immediate importance. Here too he had little new to say. In theory he could have reciprocated the West's growing disenchantment with détente. Without being inconsistent he could have said that he had done his best to secure peace and disarmament through negotiation, that the warmongers of the West had rejected his advances, and that the Soviet Union was therefore going to look to its defences, cut down trade with the West, and pursue its interests within the world without regard to western sensitivities.

Such a switch would have been very surprising. It would have been out of character, and would have involved far more rethinking than anyone could reasonably expect of an elderly leader and a creaking bureaucracy. The fact that it has not taken place therefore tells us little about the other possible constraints on Soviet policy, such as whether economic problems and consumer dissatisfaction will make for less spending on defence, or whether, on the contrary, domestic stress will heighten the temptation to raise international tension in order to divert attention and stiffen internal discipline. But it tells us that for a little while, at least, we shall have continuity in Soviet policy.

This means that Mr Brezhnev

will continue to woo the west with proposals for bringing peace and harmony to the world. Some of these are purely tactical and declaratory, designed to put the Soviet Union in a good light and to pull western opinion, especially in Europe, away from thoughts of higher defence spending. Some, however, may be genuine attempts to persuade the United States that there is scope for negotiation. A possible candidate for this category is what looks at first sight like a major concession on the military confidence-building measures which are among the subjects now being negotiated at the review of the Helsinki agreement in Madrid.

His speech these measures have been confined largely to notifying major military manoeuvres within 250 kilometres of frontiers shared by participating states. The west has proposed at Madrid that all out of partisan activities should be notified over an area extending from the Atlantic to the Urals. The Russians at Madrid have resolutely rejected such a wide extension. Mr Brezhnev now says that he is prepared to apply confidence-building measures to "the entire European part of the USSR provided the western states, too, extend the confidence zone accordingly".

There are still many potential snags. Mr Brezhnev wants to include naval and air exercises, and the west has been talking about ground troops. And nobody knows what he means by extending the western area "accordingly". His aim could still be largely tactical—to gain the European disarmament conference he wants in order to draw western opinion away from the United States. But at least his apparent concession is a sign of movement which could be genuine and which deserves close examination.

ending the score

Mr J. Roger Little
Having worked for a large photocopying company, I can assure Messrs Novello and Company, and Music Publishers' Association, that their cause is not hopeless. I have a plain paper copier. Fortunately I do not have to beat it, but I will be using it as a basis for a reward for copyright owners I never before.

There are two ways in which it did happen. First, specific copiers did be licensed to reproduce copyright material, the licence fee being shared by the interested parties. Secondly, and more fairly, publishers would replace the usual punitive caveat. "This document is not to be reproduced" with "more positive" "this document is reproduced at a cost of..." Would anyone pay up? I think for over a year I was employed self photocopying equipment to thousands of the hundreds of schools visited, the large majority expressed serious concern to abide by the laws of copyright. However the majority of schools do not, each the law in this respect, not, was stated in the Oakham case, in intent to defraud, but because photocopying is convenient.

Photocopying is also inexpensive so much so that if a sensible copyright fee were payable, and there was a convenient mechanism to pay it, many people who either willingly or unwillingly breach copyright law would make a fair contribution to the fortunes of those whose rights are being currently flouted. There are now well over 100,000 photocopies in daily use in this country alone. There will always be some loss of revenue through each of the law. However a means of paying would not only bring in substantial revenue from concerned at helpless people, but if copy-right paid, it could be used, the law would then become self-enforceable. While musicians, authors and their deserve a fair return for their labours, surely their greatest reward comes from public acclaim

and the wide use of their work. The present course of action, whilst fair, must ultimately restrict the use of creative works. The more positive approach will widen artistic horizons and thus foster the arts which we all wish to see thrive. Yours sincerely, J. ROGER LITTLE, 12 Salisbury Road, Redland, Bristol.

Unwelcome at table

From Mr A. G. G. Cazale
Sir, Your Political Editor (February 18) is a trifle clumsy in his use of the word "disinvite" when describing the dinner that never would be for the Gung of Three. A simpler word in use in our family for years is "outvite"—usage suggested by a Hungarian. Even Professor Higgins would surely approve! Yours faithfully, ADRIAN CAZALET, Colwall, Farnham, Dorset, Bournemouth, Newbury, Berkshire.

Canada's Constitution

From Mr C. W. A. Flynn
Sir, Professor Hedley Bull (February 19) has been led astray by his feelings. The involvement of the United Kingdom Parliament in Canadian constitutional matters is indeed "historical", but it is not fictitious. The Report of the Foreign Affairs Committee of the Commons on this subject (HC 42, January 1981) sets out, with admirable clarity and precision, the scope of what it calls "The United Kingdom Parliament's anachronistic but surviving role in relation to Canada".

As Professor Bull no doubt knows, this role of constitutional amendment by request and consent) was explicitly retained by the Statute of Westminster in 1931, at the request of all the Canadian governments (federal and provincial), precisely as part of the constitutional

apparatus of Canada as a sovereign state. If the United Kingdom Parliament were to act as Professor Bull proposes, viz. "disregard both Ottawa and the Province and take steps to divest itself" of any responsibility for the Canadian constitution and its future, two things would follow:

1. There would be no legal way for Canada to establish an amendment procedure, or in general to settle any constitutional question in which United Kingdom action is now required; and
2. Any such move (amounting to a deliberate paralysis by the United Kingdom Parliament of the Canadian constitutional process) would indeed be a gross interference with the internal affairs of Canada, as the proper operation of the existing procedures is not, such a course would be quite unreasonable, and would lead to well-justified outrage—not mere "obloquy"—on the part of the Canadians who were left with the results.

Not every problem can be solved upon the assumption that the right response is to hand it over to someone else. Yours truly, CHRISTOPHER E. MATHEWS, Bridge House, Witney, Oxfordshire.

Dubious comfort

From Mr Ivan Mason
Sir, We are told that inflation is being squeezed out of the system, and that the rate is falling and will probably be down to single figures by the summer.

But how can this possibly be so when currently and within the past few months we have been subjected to substantial, if not massive, increases in the cost of gas, electricity, water, telephones, railway fares, postage and petrol, and the horrid thoughts of the Budget next month?

Yours, etc, IVAN MASON, Broad Water, Torquay, Devon, Suffolk, February 18.

Helping the people of El Salvador

From Mr A. C. Clarridge
Sir, For years the British press, the religious journals and Amnesty have been reporting on the brutal dictatorship in El Salvador, where terror and violence are normal instruments of government and the military carry out massacres against the poor if they demonstrate against the regime. The country consists of a large majority of extremely poor and a few rich and immensely wealthy families having close connections with the American capitalists. El Salvador is a satellite of USA like so many other despotic states in the Far East, Africa, South America and Central America which have in recent decades driven their peoples into the arms of the Soviet Union, serving the interests of the Salvadorians seek weapons from Cuba, once also an American satellite and despotism where governmental terror failed to prevent the violence.

The victory of the Salvadorians is certain because a united and desperate people cannot be crushed even if America invades with napalm, defoliants and obliteration bombing. Vietnam proved that. The slender hope of preventing El Salvador joining the Soviet bloc is if Europe can prove by massive injections of aid to the people that we are on their side. Everything must be done to ensure that the aid goes to the people and is kept out of the grasp of the Americans and the dictatorship. Yours faithfully, A. C. CLARRIDGE, 4 Hawthorne Road, Radlett, Hertfordshire, February 21.

Keeping pits open

From Mr Dennis Poore
Sir, Few people can view recent events in the coal industry with equanimity. Criticism, whether of Government, coal board or the industry, has little purpose without a constructive suggestion for a solution.

According to report, the coal board say that there is insufficient coal in certain mines for their continued working to economic advantage. "Not so," it is entirely possible that both views are correct. It may be impossible for a huge organization like the coal board to make an economic success of such mines whereas the miners themselves working with negligible overheads may well be able to do so.

Has serious consideration been given to offering these fringe mines to workers' cooperatives formed from those who work at each mine? Their value to the coal board must be minimal in the circumstances.

Under the terms of the offer of the assets to each cooperative could therefore be favourable to it. The failure of two of the three well-known cooperatives, fostered by the coal board, of an individual rather than a group. However, valuable lessons can be learnt, certainly from the third (Meriden) in dealing with which I had some experience. The enthusiasm and willingness to disperse the assets of a mine to a group of miners, one of the most efficient manufacturing units in the West. The difficulties centred round the lack of professional expertise in, for example, such areas as design engineering, merchandising, marketing and international finance, subjects in which the workforce could hardly be expected to have much experience.

Few, if any, of such problems would be met in running an existing mine. A workers' cooperative would have a chance of success, to the great benefit of all concerned, including the British economy. Yours faithfully, DENNIS POORE, 1 Love Lane, EC2, February 19.

Civil Service pay dispute

From Mr C. E. Mathews
Sir, Certain scary statements from Civil Service leadership would seem to be unconstitutional and naturally invite antipathy from the general public, unfortunately not only for those who make such utterances but for the public service generally.

There has been a tendency in recent years for some public service pay negotiations to become increasingly histrionic and more widely damaging. Perhaps I may make it known that I stand among a group of civil servants who, while appreciating from within the considerable difficulties inherent in securing fair settlements by these negotiations, continue to regard strike action with reluctance and, dissociate from the attitudes and tactics promoted by those persons, which we find militant and not best serving of our interests or those of the state.

We consider that your leading article of February 19 weighed the situation correctly and appropriately. Yours truly, CHRISTOPHER E. MATHEWS, 40 Belsize Park Gardens, Belsize Park, NW2, February 19.

Immingham thrives

From Mr Michael Brotherton, MP for Louth (Conservative)
Sir, I read with astonishment in your columns on February 13, the remark by Mr Anthony Hart, chairman of Kent County Council planning and transportation committee, about the port of Immingham.

Mr Hart is reported by your Morning Correspondent as having described Immingham as a declining port. As the representative of Immingham at Westminster, I must point out that not only is Immingham thriving, it is also highly profitable, and indeed our only fears for the future are the pricing policies adopted by the British Transport Docks Board.

I am, Sir, your obedient servant, MICHAEL BROTHERTON, House of Commons.

Hitches for church unity proposals

From the Chaplain of Balliol College, Oxford, and others.

Sir, The "proposals for a covenant" between five English churches, which is to be debated in the General Synod of the Church of England on Wednesday, is a positive, hopeful and significant step towards Christian unity. The synod will be asked to approve the proposals and refer them to the dioceses, so that final approval can be given in 1982.

The synod does not approve the proposals, it will seem like a rebuff to the Free Churches. If it approves them narrowly, and then fails to give them final approval by the 75 per cent majority that will probably be required in 1982, the Church of England will once again seem to have behaved with rather less than good faith in ecumenical matters. Yet one or other of these eventualities seems likely to happen.

Most Anglicans seem to agree with the main thrust of the proposals. The chief problems concern the status of the Church women ministers and the way in which episcopacy is to be taken into the system of those churches, but even here it is not so much the basic principles implied by the proposed

solutions, as temporary anomalies and variations and provisions for conscientious exceptions, which cause difficulty. Nevertheless, we understand, a rigid deadline and the fact that the proposals emanate from an interdenominational commission mean that the synod cannot amend them.

The Free Churches, who actually seem to regard the proposals as still negotiable, will be faced with a choice between going ahead without the Church of England or of starting all over again from the beginning. It seems extraordinary that procedural difficulties should force this choice on the synod. It is not possible to devise some way to circumvent the cumbersome rules and rigid timetable so that the synod can give general approval and, at the same time, indicate where it thinks further work needs to be done.

Yours faithfully, PETER HINCHLIFF, TREVOR S. M. WILLIAMS, A. E. HARVEY, ANTHONY PHILLIPS, W. L. R. WATSON, GRAHAM SHAW, University of Oxford, February 23.

Violence on the terraces

From the Secretary of the Football League

Sir, The Director and Senior Research Officer of the Centre for Contemporary Studies (Letter, February 23) unfortunately detract from the helpful briefing on racism among football crowds by their inaccurate strictures on the football authorities for alleged silence on the subject of "soccer violence". By no means have the football authorities been silent or inactive in measures against hooliganism this season. Many of the following actions have received publicity:

Steps are being taken to ensure that the sale of alcohol is effectively controlled. An approach has been made to the Home Secretary to extend the use of attendance centres for convicted offenders. Representations have been made to the Treasury in an attempt to obtain 100 per cent capital allowances for ground improvement schemes aimed specifically at combating hooliganism, such as the installation of additional seating. Information has been collected from club administrators in an attempt to ascertain the extent of the racism problem and this information will be presented by me to a special conference on hooliganism next month at which the

Government will be represented. Investigations are being conducted into the increased use of closed circuit television cameras to monitor crowds both inside and outside grounds.

These measures, together with the millions of pounds spent on crowd segregation problems and police charges, are admittedly designed primarily to counteract the symptoms rather than the causes of football hooliganism. But, although the Centre for Contemporary Studies found scant evidence of football's social conscience, may I submit that the football and the community schemes at 32 Football League grounds, all aimed at encouraging the local youth to identify with the clubs and participate in the additional facilities offered, eg, indoor sports halls, bear adequate testimony to the fact that professional football clubs are concerned solely with winning trophies. It has become increasingly fashionable to denigrate professional football, but to be constructive, any criticism must be balanced and accurate.

Yours sincerely, GRAHAM KELLY, The Football League, 319 Clifton Drive, Lytham St Anne's, Lancashire, February 23.

Family matters

From Mr M. J. G. Thomas

Sir, Dr Adrian Rogers (February 12) fails to appreciate that medicine is best practised when a doctor acts in the best interests of an individual rather than a group. Does his assertion, that parents have the right to choose the treatment of their child, prevent a doctor supporting a 15-year-old girl in continuing her pregnancy, in the face of the fact that her parents have not taken over her care? This is not the place for a philosophical discussion of parents' rights. Doctors are concerned with the immediate problems of their patients. It is sad that parents and doctors are being set at odds by Dr Rogers' publicising what is, at best, really working towards the same end—the best for the child.

The British Medical Association has never recommended that doctors provide contraceptives for every girl, and that the majority of girls, under 16, on the contrary, ethical guidelines demand that every effort is made to involve the parents or guardians in the decision. Most doctors are successful

ful over 95 per cent of such cases, frequently because the girl has approached the doctor, so that he can assist her in broaching this delicate matter with her family.

The massive publicity Dr Rogers has attracted is not stopping girls under the age of 16 from having sexual intercourse. It is, however, making them afraid to turn to the medical profession for advice. Journalists, responsible for answering questions from young people, are experiencing an unprecedented increase in calls for advice on contraceptive problems, from girls, who state that they are now frightened to visit their doctors for fear of their parents being told.

Dr Rogers' happy with this result? Is he satisfied, in undermining the trust of patients in doctors, he is causing avoidable problems? Does he not realise that there are cases when help and contraception are complementary rather than alternative? MICHAEL J. G. THOMAS, Chairman, Central Ethical Committee, British Medical Association, BMA House, Tavistock Square, WC1.

Jerusalem electricity ruling

From Mr Terence Prittie

Sir, In taking exception to your headline "Setback for Israelis" (The Times, February 19), relating to the Israel Supreme Court's decision that the Arab-owned Jerusalem District Electricity Company should not be taken over by the Israeli authorities, I have ignored the Israeli arguments in favour of compulsory purchase of this company. The Times has been apprised of these arguments many months ago, but has not published them.

The Israelis maintain that the Arab-owned company is unable to serve its allotted area effectively, that only 50 out of 130 Arab villages on its grid are being supplied with electricity, that it has an inadequate capital base, that it fails to keep proper accounts, and that there are more than a reasonable number of breakdowns in its services. Lack of capital has meant that the company continues to use small diesel generators which are not economic, and has failed to maintain efficient standards of distribution. (The

Israeli claims are, admittedly, not proven.)

All of this was pointed out to Sir, in this long ago as last May, but one searches the paper in vain for any explanation of Israel's reasons for wishing to amalgamate the Arab-owned company with the Israel Electricity Corporation. Nor is it ever made plain that the Arab-owned company has to "borrow" much of its current from the Israeli corporation.

Now the Supreme Court of Israel has ruled that these reasons are not sufficient to justify the merger. This is not a "setback for Israelis"; it is an assertion of the rule of law, applied with commendable impartiality. With luck, the upshot will be increased cooperation between the Israeli and Arab companies, and more efficient services for everyone. That is the reverse of a "setback".

Yours, etc, TERENCE C. F. PRITTEE, 126-134 Baker Street, W1, February 17.

Future of 'The Times'

From Mr Tom Stacey

Sir, Before we hear more about how The Times is going to be "better", may I say that, in my view for the past several years The Times has been "better" than ever before in its life. It is in its depth, breadth and style of coverage. Yours faithfully, TOM STACEY, Stacey International, 128 Kensington Church Street, W8, February 20.

From Mr Nicholas Green

Sir, At the age of 17 I consider myself one of your younger readers, and as such should like to offer some words in support of the views of Mr Duckworth and Professor Lever. (February 19)

I personally, and I am sure, I speak for many other younger readers, am perfectly satisfied with The Times in its present form. In an age where younger members of society are encouraged by many to make their views felt, it is both right and proper that at least one form of the media should present

us with intelligent and useful fact and comment which does not set out to make itself attractive by appealing to a taste for the dramatic and sensational.

For as long as The Times does not compromise itself by seeking to present that which appeals merely on a superficial level, but presents only that which is intelligent and true, I for one shall hope to march with it into the death columns. Yours faithfully, NICHOLAS GREEN, 20 Amherst Road, W13, February 19.

From Mr W. R. A. Easthope
Sir, The new Editor of The Times is the first who is a Durham graduate. Harold Evans is a Cambridge graduate, having graduated from University College, which has

been the honour to be, Sir, also a Cambridge and your former obedient servant, REGINALD EASTHOPE, 4 Salters Close, Hayling Island, Hampshire.

Contempt pitfall for publishers

From Mr William Kimber

Sir, While I have seen many expressions of concern about the further restrictions on freedom of speech contained in the Contempt of Court Bill, which has been passed by the Lords and only awaits the approval of the Commons, such concern has been confined to its effects on newspapers and periodicals, and I have given a warning of a serious danger it will create for the authors and publishers of books.

The Phillimore Report, in discussing the elements of defence required for a publication says (page 60): "The requirement that the report should be contemporaneous is necessary in order to prevent the further publication of a report of a previous trial, perhaps many years earlier, when the same man is facing trial again." This contemporaneous element has been embodied in the Bill. But has its effect on book publication been considered?

A man may have been convicted of a serious charge and a report of his trial meeting the requirements of being "fair and accurate and in good faith" could have formed a part or whole of a book. As the Bill stands a book which was contemporaneous, when first published could, merely through the passage of time, become the cause of criminal proceedings from the fact that the same man has been charged again. I am assuming that "publication" in contempt would have the same meaning as it has in defamation—that the sale of one further copy constitutes a fresh publication.

Unless the right to report accurately in volume form in the areas of crime and justice is to be eroded then I suggest that some amendment to the Bill is needed. Perhaps in the case of publication in a book, which originally appeared before the second arrest, of a responsibly written account of a trial the onus should be placed on the prosecution to prove that the author or publishers had acted with intent to defame or prejudice the course of justice.

Yours faithfully, WILLIAM KIMBER, William Kimber and Co Ltd, Godolphin House, 22a Queen Anne's Gate, SW1, February 19.

Dangers to the walker

From Mr Cyril Myerscough

Sir, London's crime figures reported in your issue of February 20 tell only part of the story of the dangerous risks we run from violent assault.

Homicides in London for 1980 are put at 20 and assaults at 16,139. On the other hand, the Department of Transport's latest annual published figures for road accidents (1978) show that 16,122 pedestrians in Greater London were knocked down in motor traffic, 348 of whom were killed.

A significant proportion of these pedestrian casualties actually take place on the pedestrians' own right of way. According to the Department of Transport, no fewer than one out of 14 pedestrian casualties involving motor vehicles now take place on footways and verges.

Many more people of course—particularly the elderly and infirm—trip and fall over pavement surfaces broken by vehicles which have mounted the kerb. A Pedestrians' Association survey last year found that two out of five people have had this experience.

Although we run a greater risk on the pavement of being killed by a motor vehicle than by a mugger, the police often claim they cannot enforce the law against pavement drivers and parkers. Let us hope that the reported improvement in recruitment to the Metropolitan Police will enable a firmer line to be taken against this dangerous invasion of the pavement.

Yours faithfully, CYRIL MYERSCOUGH, 18 Montpelier Row, Twickenham, Middlesex, February 20.

Caring and sharing

From Mr Edwin Noble

Sir, Philip Howard in his article, "Have a care when some say share" (February 19), does not seem to be up to his usual standard. Having condemned the use of "share" to give an impart information, he gives an example where it clearly has its usual sense. "If everyone cared enough and everyone shared enough, everyone would have enough." He then gratuitously adds, "This is a simple-minded economic nonsense".

One has only to read the Brandt Report to see that poverty everywhere in the world could be eliminated by the right use of existing know-how and resources and that to pretend otherwise is just a sop to our consciences. Yours faithfully, EDWIN G. NOBLE, 83 South Drive, Chorltonville, Manchester, February 19.

Love's labour lost

From Mr C. F. Wilson

Sir, From Horace (letter, February 21) was unlucky. So was I. Tunbridge Wells sorters move too quickly. The St Valentine's card I posted on Friday at 9.15 am was collected at 10.30 am and delivered just two hours later. But then, the Post Office would not sell me their special 14p stamp along with their 14p card. Yours truly, C. F. WILSON, Augustus, Royal Chase, Tunbridge Wells, Kent, February 21.

From Mr Dan Hardy

Sir, Praise be to Sir Horace Cudger (The Times, 21) for his explanation of why I didn't get any Valentines this year. I remain, yours hopefully, DAN HARDY, 31 Marles Road, W8.

Britain is in the forefront of information technology, which is certain to be one of the future's most important industries

Britain's lead in videotext technology, if explored fully in international markets, could give this country, as it moves away from a predominantly heavy manufacturing base, the key to an overall market for information technology that is already worth about £50,000m a year. It is likely to grow by at least 10 per cent a year in real terms, so a market worth about £200,000m a year by the end of this decade might well be a conservative estimate.

A gloomier view is that providing the information to Britons innovates, they will fully to exploit and are overtaken by foreign competitors. Certainly there is some evidence pointing that way.

One criticism of most of those involved in videotext is that its various forms have been presented to the British public in such a hazy fashion as to contribute to the confusions which will exist about a product which, in one form or another, has been on offer to the consumer for four years. That is teletext, beamed over the airwaves like a normal television programme, as with the BBC's Ceefax and the Oracle service of the Independent Broadcasting Authority (IBA).

These teletext services, developed in the early 1970s, are now each transmitting more than 400 pages of information from the latest general news to specialised material. So far there are some 100,000 television sets in Britain adapted to receive teletext. The service is free but a teletext-adapted set costs an extra £100 or more compared with a normal television. Both Ceefax and Oracle at present appeal to the domestic rather than the business market.

Teletext services could be developing the mass market that the industry, from those

A good start has been made persuading other countries to use British systems which could, because there are technical links in the hardware, lead to those countries then taking up the British version of what will be in terms of social impact the most important videotext system—viewdata.

Viewdata is videotext that comes down a telephone line like British Telecom's pioneering Prestel, invented in 1974 and already in service for two years. The Post Office, as it then was, initially had a vision of Prestel capturing a vast mass market. Now, with less than 8,000 Prestel sets sold (they cost up to £900 and the service also has to be paid for) realism has set in and the intention is first to develop the full specialised business market.

Although with teletext systems the viewer can call up particular frames or pages (a somewhat slower process than with viewdata) and eventually there should be more such involvement possible for the viewer, it is viewdata which is the more flexible system in terms of interaction between the computerized database and the individual.

What viewdata really gives the individual is his or her own hot line to a computer with a keypad allowing a variety of commands to go direct down the telephone line to have access to about 170,000 pages of different information. But a full keyboard and the ability to converse fully with the computer data base is really only a step away, a key building block in expanding the possibilities of the information technology market.

Behind the scenes a number of large mail order companies are looking at the possibilities of using viewdata as a means of setting up what would be an electronic mail order catalogue, allowing shopping from the consumer's own armchair, with the ability to transmit an order and make payment arrangements simply by hitting a few computer keys in the living room.

Or it would be possible to research and order a holiday, or solve problems, if you are a businessman, of tracing connecting flights and booking them direct from office or home; or, if you are a student, call up

data from many sources, including information on second generation threat to the other systems. The most immediate threat is from France's Teletel system which of all the foreign systems is nearest in type to Britain's Prestel. The Canadian system, Telidon, originally designed as a graphics aid, is able to produce shapes more fluently. Although range of application is important, the key at present is securing widespread markets so that volume production is possible to start bringing down hardware costs. The French

are trying to tackle that one by creating, at the stroke of a bureaucratic pen, a large home market. Their idea is to scrap printed telephone directories in France and put them all on to a viewdata system with small video display units virtually given away to telephone subscribers. It would instantly provide the French television set makers with a mass market, giving them the volume that would reduce set costs for a telling export drive. The French have been running into some technical

problems and a decision to go ahead with the plan has been delayed until the spring. Initial trials of the electronic directory have had a lukewarm reception in Brittany where users found the system slower than consulting the normal telephone book. But the French have already had one coup. Britain's Prestel had looked to be firm favourite for securing an initial contract for a market trial for a viewdata system for Brazil. But the contract, worth about £1m and covering the supply of computer equipment and technology, has gone to the French despite a recommendation in favour of Prestel by Telesp, a leading Brazilian telecommunications company.

It may be that the Telesp recommendation was overruled by other factors because France and Brazil have been discussing a large reciprocal trading package. Even so, it is a disappointment for the British system's salesmen.

Against that the British presence, through both teletext and viewdata progress, is already strong in a number of countries, including Austria, Holland, West Germany, Spain, Denmark and much of Scandinavia.

Although the Government has demonstrated its awareness of the importance of seizing dominance in the world market for information technology, it is clear that intervention on the French pattern is not a proposition in Britain. That means that the industry, from British Telecom, the BBC and the IBA to the microchip producers, the set makers and the information providers, will itself have to continue the impetus, first in the British market, then internationally.

Already there are some encouraging signs. There are microchip developments

which, even before higher volume cuts production costs, could bring down viewdata system costs by at least a quarter. Oracle aims to improve localized information this year on its service which also, for the first time, is to charge for advertising which in turn should gear up Oracle's spending further to improve its service. Oracle reckons that once there are four million teletext sets its service will be an economic one.

An increasing number of television sets are expected to get built-in teletext decoders as preparation for the increase in sales of colour television sets which is due by 1983 as sets sold during the mid-1970s boom come near to the end of their useful life.

Adaptors for existing television sets which convert them to receive Prestel might prove a key breakthrough in increasing the number of users because, although adaptors can cost about £200 or more, volume production could well set that down to near £50. There may be a case for British Telecom sharply to gear up this market by becoming a major buyer of adaptors for selling or renting.

Efforts are being made to improve the sometimes uneven quality of the material coming from the information providers on Prestel, with the various financial services, including one for commodities, setting the sort of high standard which ideally would apply to all the Prestel services. It has been argued with some force that British Telecom, instead of virtually selling space on Prestel, should effectively franchise information providers, removing the franchise if their service did not come up to scratch.

Derek Harris Commercial Editor

Fireside access to sum of human knowledge

The sum of human knowledge in prehistoric times was kept in the heads of learned men. With the invention of writing, it became possible to store this knowledge and, by storing it, to free the intellects of men to add to and develop that store. When the sum of human knowledge could be stored in one place—the great library at Alexandria for instance—it was possible for one man to have access to all the knowledge that existed.

Anthony Smith, in his excellent survey of new newspaper technologies *Goodbye Gutenberg*, has this to say about the new media: "The interactive electronic mode of knowledge can be likened to an Alexandria without walls, unified but universally accessible, keeping a better balance between what has been accumulated and what is to be added, emphasizing the sovereignty of mankind itself over the totality of its knowledge."

In time, it is abundantly clear that the new Alexandria will be with us, drawing on a virtually infinite store of knowledge, on request, and at our fireside. Whether it comes via cable, or by the UHF signal to our television set, the information available to all of us will hugely increase. At present the British versions, Prestel, Ceefax and Oracle, are some years ahead of their overseas rivals. But in some cases, because they are

starting later, the foreign versions may be planned a little more sophisticatedly than our home-grown variety. Below is a brief survey of the position in the advanced countries of Europe, the United States and Japan. I have meant that the experiment is carried out on a strictly limited basis, broadcasting only from 4 pm each

day. The newspapers have additionally set up a cable television project which is expected to begin broadcasts in 1983 in the Rhineland Palatinate. Another experiment in the use of wide band glass fibre optical conduits is being undertaken in Berlin, where for the first time in Germany 24 households are receiving

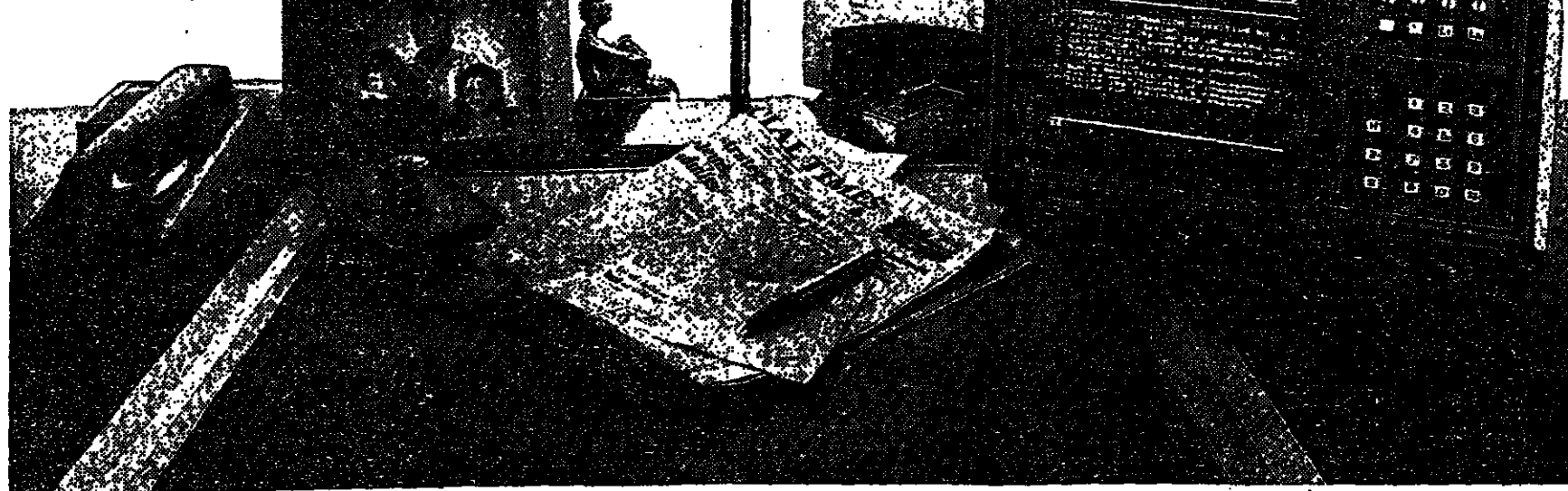
two television programmes and shortwave stereo broadcasts over glass fibre cables. Two separate experiments are going on into a Prestel-type of system which the German firm Bilfinger-Berlin (screen text) in Berlin and in Düsseldorf. The number of newspapers making use of the system is rapidly increasing, although the sys-

tem, as in Britain, is solely in the hands of the federal Post Office. At present 170,000 pages are on offer to more than 8,000 clients. Austria. A teletext experiment has been established in Austria since the beginning of last year, which is a joint operation between the

continued on page 17

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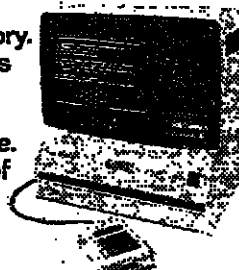
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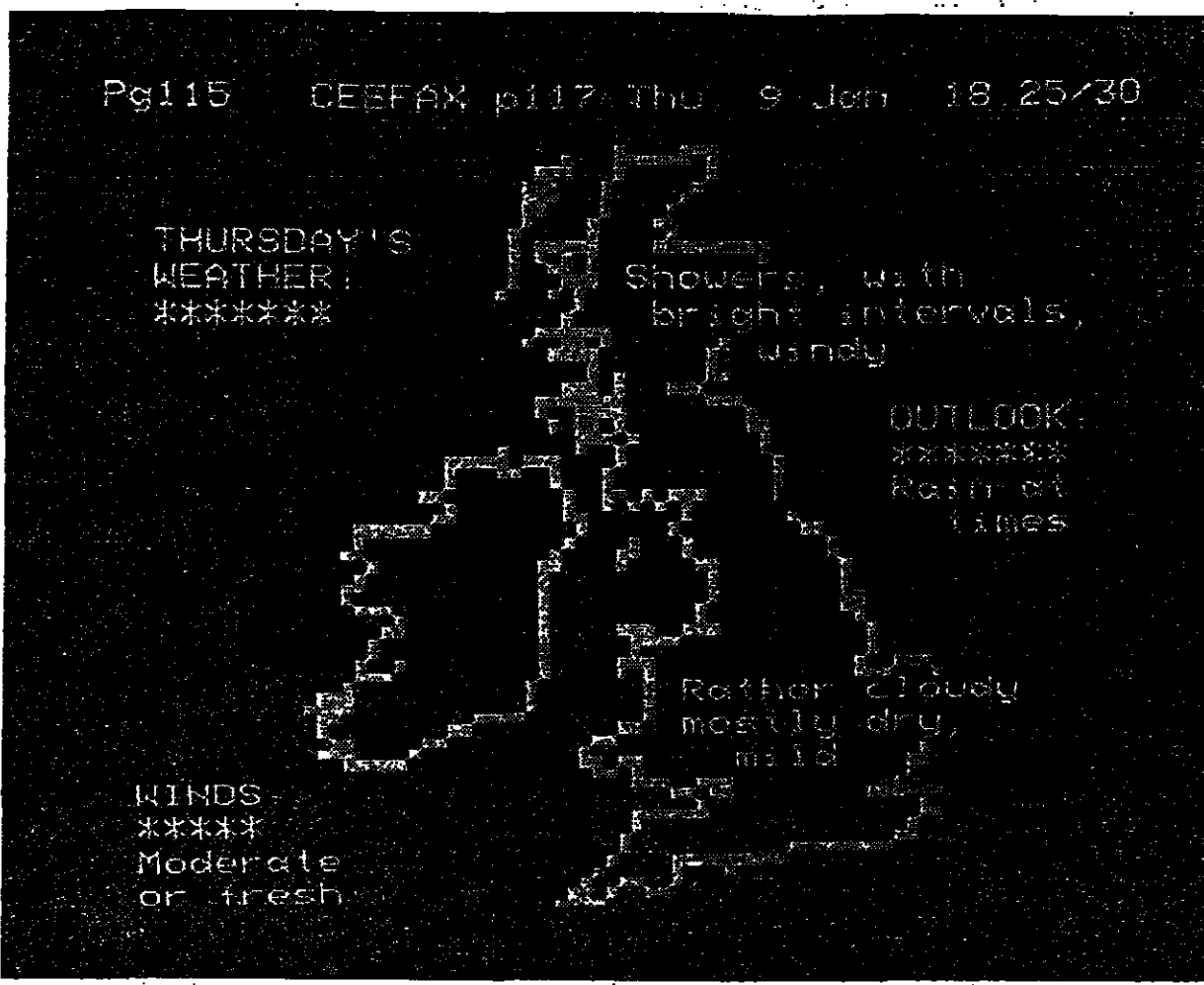


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VIDEOTEXT

Ceefax and Oracle groups exchanged ideas



The technological advances in teletext now marketed by Ceefax (BBC) and Oracle (ITV) were made latterly by the two groups exchanging ideas.

In the early 1970s the BBC and the Independent Broadcasting Authority (IBA) were each conducting their own separate research. By 1973 under the chairmanship of the British Radio Equipment Manufacturers Association (BREMA) the two groups met frequently to develop a technical standard for the system.

Both systems use their respective broadcasting networks to transmit about 400-500 pages of information. The public teletext broadcasting service began in 1977 and there are about 100,000 teletext-adapted television receivers in the United Kingdom.

Both systems were designed to use eight of the available 20 free lines of the 625 used for television transmission. They are operating on two of those lines since such use cuts to a minimum

the flicker that is liable to result on the television pictures of older receivers. The IBA and the BBC agreed standards for the transmission of teletext in March 1974. Further amendments were made to that standard and a final specification was published in 1976.

Since then the BBC claims to have played host to representatives of 123 inquiring countries. Similar services, using the United Kingdom teletext standard, operate in Holland, West Germany and Austria.

Although the teletext service offers less pages than its rival, the viewdata system Prestel, the initial capital investment to the user is considerably cheaper. The cost of a teletext receiver is about 30 per cent more expensive than a normal domestic television set. Depending on time and place of purchase a 22-in colour set will cost about £440, as opposed to a Prestel set of about £650.

The potential for the service however is enormous.

More pages could be included and more lines used for the transmission.

Oracle, because of the demand for more local information content from the users, has asked the Home Office to allow it to use two more lines.

One line will be used to improve the response time in obtaining a page while the other will be used as a means of inserting local data.

According to Mr Geoffrey Hughes, chief executive of Oracle: "When these lines are available there will be a regional teletext service, starting this year with one region and covering all ITV regions by mid-1983. At the same time it should be possible to reduce the current retrieval time to 10 seconds for 'hot pages' and 25 seconds at most for the less frequently viewed".

However, Oracle has plans to sell advertising on its service some time after the spring. Two clauses in the new Broadcasting Act have made the step possible. The independent service hopes to

An example of the potential of Ceefax... page 115 gives constantly updated weather information.

be able to allocate 15 per cent of its 400-500 pages to advertising and also be able to carry small slogan advertisements at the bottom of some editorial pages.

The BBC has an plans to sell advertising on Ceefax nor is it ever likely to adopt such a policy.

Oracle expects that advertising geared to its "15 per cent" strategy could generate an income of £5m a year by 1984.

The BBC has also been using the technology as a means of providing a method to sub-titling a number of its programmes for the deaf and the hard of hearing. Despite new equipment, however, the BBC maintains that it still takes 20 hours work to produce one hour of subtitling.

Bill Johnstone

Euronet is the EEC link

The Council of Ministers of the EEC formally recognized in March, 1975, the importance of Europe having its own data communication network by giving approval to plans for Euronet.

The EEC Commission had been discussing such plans as early as 1971 but by 1975 the post, telephones and telegraphs administrations, like the British Post Office, which control the telecommunications networks had formed a legal consortium to create Euronet.

On February 13, 1980, the network was inaugurated by Mme Simone Veil, president of the European Parliament. On April 29 last year the London link within the network was formally opened.

It operates using a technique called packet switching through which batches of data are transmitted at high speed between locations separated by hundreds of miles.

Packet switching exchanges at Frankfurt, Paris,

Rome, London and Zurich represent the backbone of the network. Each carries remote access points within the network that connect to the nearest packet switching exchange. These are located in Amsterdam, Copenhagen, Brussels, Dublin and Luxembourg. The complete network will be exercised from London.

Euronet is the term used to describe the telecommunications of the network. The data bases attached to the network are collectively described as DIANE (Direct Information Access Network for Europe). There are 20 principal sources of data throughout the network embraced by DIANE. These are called hosts and between them they are offering 150 data bases on a large variety of scientific and socio-economic subjects. The number is growing every day.

The service is operational 24 hours a day and simply by dialling the appropriate telephone number of the computer which the user

wishes to access a connexion is made. Each packet carries address and control information to guide the package through the network. The speed of response of the network to the user gives him the impression that he alone has exclusive use of its facilities, although they are shared.

This sharing is reflected consequently in the tariff structure for Euronet. A user can be connected through the public switch network or by his own private circuit. The general usage charges for Euronet are common throughout the Community although slight variations occur because of special charges incurred in accessing the network.

According to the Post Office, the emergence of packet switched public data networks around the world has led to a different approach to tariffs. "Conventional circuit switched networks with their physical connexion paths have invariably used time as

the basis for charges. Packet switching is by comparison far less time critical... In consequence, time is no longer of such relevance as a cost factor and volume of data transmitted assumes greater importance".

Such networks may be growing quickly within the United Kingdom, controlled by private operators if the Secretary of State for Industry agrees to the benefit of such services. Under the new Telecommunications Bill making its way through Parliament, he will be empowered to allow private ventures to operate such data communication networks for profit.

Euronet will expand. Within three years interconnections will exist between a whole range of European states. These will include Britain, Ireland, Austria, Greece, Yugoslavia, Belgium, Germany, Denmark, Italy, Luxembourg, Sweden, Norway, Spain and the Netherlands and Switzerland.

B.J.

Prestel has given Britain a head start



Prestel, the viewdata system of British Telecom, was the first in the world and has in consequence been able to establish a demonstrable lead over its rivals from France, Canada and Japan. The United Kingdom, West Germany, The Netherlands, Switzerland and Austria are operating systems that use Prestel software and GEC computers. Norway, Finland, Sweden, Spain and Denmark are using systems based on Prestel standards.

The French Teletel, the Canadian Telidon and the Japanese Captrains viewdata systems have detectable differences but are nevertheless liable to be fierce competitors internationally as their technologies become more refined. However, the British, at least for the present, have a head start through the creation of Prestel.

This was achieved by Mr San Fedida at the Post Office Research Centre in 1974. In 1979 he received the MacRobert gold medal awarded each year by the Council of Engineering Institutions on behalf of the MacRobert trustees in recognition of an outstanding contribution to innovation in engineering.

Mr Fedida invented a technology which gives anyone with the appropriately adapted television set access to 170,000 pages of information by dialling through a normal telephone circuit. Prestel has been modestly

The public service was launched in September 1979 and although its expansion has been significant, only 8,000 Prestel sets have been sold in Britain to date. Many people believe that their cost has been prohibitive. A set can cost as much as £900.

However, Prestel is at the forefront of technology development and the system, although still far from being commercial, is the only fully operational one in the world today.

The French and the British systems are fairly similar. They both display ordinary alphabetical characters on a television or video display screen. Prestel uses 40 characters a line and 24 lines; the French Teletel uses 25 lines. The Canadian Telidon was originally designed as a visual aid for diagrams, and later was adapted as a text writer.

In Teletel and Prestel small rectangles are used to construct the letters, numbers and graphics into a "mosaic". The systems are as a consequence termed alpha-mosaic systems. Telidon, because of its original design and its versatility in shapes, is known as alpha-geometric.

As expected, the Japanese are developing their system. Captrains has a far more difficult problem than its rivals since it has to be able to display the 3,000-odd characters of the Japanese language.

Prestel has been modestly

A businessman using his Prestel set.

successful, although British Telecom has altered its strategy in the light of the encouraging response from business and the comparatively poor demand on the domestic market. There are 8,000 users connected to Prestel, the most substantial proportion of whom are business users.

The French Government intends to create a mass market for Teletel and, as a consequence, to reduce the price of sets. Plans include replacing the telephone directory with an electronic equivalent accessible through Teletel, and 30 million small black and white television receivers will be given away free over the next decade.

The Canadian system will not be fully available to the public until 1983. The Japanese intend Captrains to be operational by spring.

British Telecom and all interested parties are keen on Britain maintaining its marketing edge. The corporation last year launched a successful trial service in which the market response to an international Prestel service was tested in Switzerland, Australia, the United States, West Germany, The Netherlands, the United Kingdom and Sweden. The service will be available to all Prestel users in the United Kingdom from next month. It is confidently expected to give British Telecom an advantage over competitors when overseas markets are sought.

B.J.

GEC Computers. The power behind Prestel* in eight countries.

The nerve centre of every Prestel* or other viewdata system is its computer. With speed of response and a large number of terminal users the name of the game, choice of computer is crucial.

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Why GEC computers? A viewdata system requires well-proven, high performance computers with fast responses to a large number of simultaneous users. That's the GEC 4000 Series. It also requires in-built reliability, the capability to run continuously for long periods without supervision.

That's the GEC 4000 Series again.

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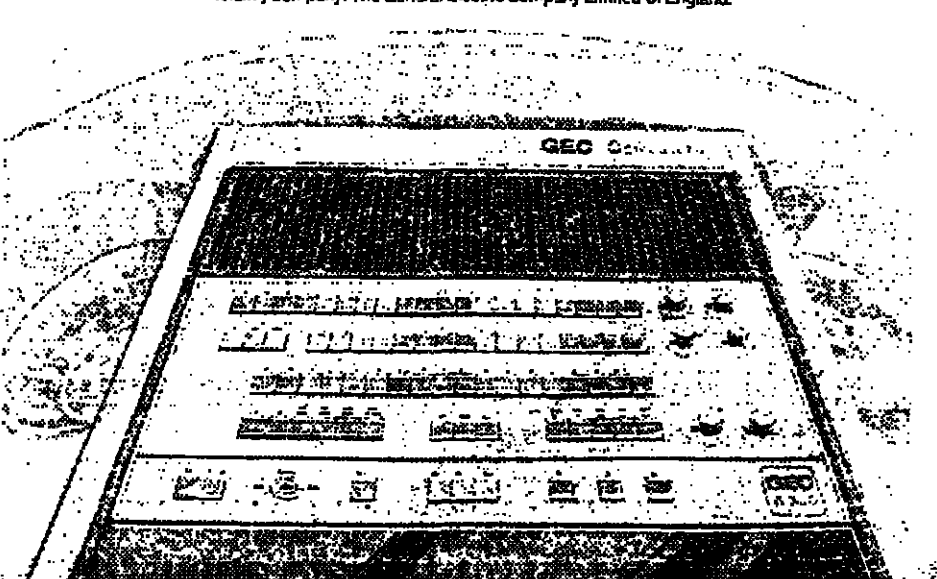
All the more reason to choose our GEC 4000 Series.

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To find out more contact Tony Matthews (Ext. 3799) or for Export, David Finlay (Ext. 3478) on 01-953 2030.

*Prestel and the Prestel symbol are trade marks of the British Telecom viewdata service.

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B.J.



...posing man's (or woman's) best friend by British Telecom's Prestel viewdata service. Prestel, which links television set, telephone and computer, is the world's first public viewdata service.

Fireside access to sum of human knowledge

Continued from page 15

...rian Broadcasting Corporation (ORF) and the newspapers. General information pages on weather, film, theatres and so on supplied by ORF while news reports come in the papers.

...currently 64 pages are available, but this will be speeded up to 200 this year. The page will have the capacity of an extra 99 follow-up pages behind it making a practical total of about 100.

...viewdata programme will be established by the Office next month and last year: 50,000 pages will be available to 30 households.

...nce. The French, arriving later than the Anglo-Americans, have, however, developed a rather more advanced system. Called Antiope (Acquisition métroque et Télévisualisation d'Images Organisées en Images d'Écriture—digital picture and television broadcasting of images arranged in pages of writing) it has a near tricks the British rem lacks.

...data-compression devices that it does not have send out a signal for single space on the screen, thus greatly speeding the transmission of individual pages. It also contains a large number of graphics which enable it to w complicated pictures. Five hundred million

francs are being spent on an interactive videotext experiment which will last for two years beginning in September. Three thousand people will be invited to have specially adapted television sets in their homes, in the communes of de Vézère. Next year a telephone-operated system analogous to Prestel will be launched around Rennes.

United States. As might be expected, a great deal of experimental work is being undertaken. Some experiments are based on United Kingdom systems such as Prestel and Ceefax, others are home grown and operated largely through cable television systems.

The largest and most powerful telephone company in the United States is AT & T, but it is restricted under federal anti-trust legislation to telecommunication activities. However they have been involved in a number of experiments including an electronic information service, arguing that they were merely offering text counterparts to recorded message services, already available over the telephone.

In the experiment in Albany, New York, 15 standard VDTs were circulated around 100 homes offering telephone directory service as well as news, sport, weather, horoscopes and advice. Horoscopes seem to be indigenous to videotext. Second in size to AT & T is GTE, 18 months ago acquired a North American

licence for Prestel. A year ago it signed contracts with 20 major United States corporations who were expected to act as providers of information.

Prestel has retained rights for internal communications and closed user group applications. Through a National Enterprise Board subsidiary Aragon it intends to modify and market the Prestel system.

AT & T subsidiaries are involved in the design and building of specially adapted televisions for an experiment conducted in Miami by the Knight Ridder chain of newspapers.

A non-profit library cataloguing information service called OCLC announced last year it plans to establish a Channel 2000 experiment with 200 homes in Columbus, Ohio. The data base would include library catalogues, encyclopaedia information and banking information from a local bank.

Also in Columbus, ComputerServe is offering a videotext-like service permitting personal computer users to retrieve software from the mainframe computer over telephone lines. The Columbus Dispatch newspaper is delivering its entire editorial content to 3,000 home terminals. Arrangements are expected with several major newspapers and the AP to provide news for the ComputerServe network all over the United States.

Antiope, the French system, is the subject of an experiment through the Los Angeles CBS station KCBT TV, while Ceefax is the subject of similar tests through a television station in Salt Lake City, Utah.

Cable television services are prominent in the information explosion and at least one scheme is involving the use of a communications satellite. SATCOM 1 is being used for the transmission of Cabletext, a one-way teletext system to be delivered to cable television operators all over the United States. By November last year 45 cable operators committed themselves to subscribing. The contents will be the news service of UPI and Reuters. This spring Cabletext plans to install an electronic mail system.

Other cable operations are being launched in San Diego and Omaha by Cox Cable, but perhaps the most significant development is a two-way interactive system called Quibe, being developed jointly by Warner Communications and American Express. In the system three varieties of service are offered on 30 cable television channels. The first 10 channels rebroadcast television, the next 10 include pay television, and the last 10 are selective local channels conveying specific programming for schools, hospitals and so on. Four of the last 10 channels are narrow-cast (instead of broadcast) permitting specifically pre-

determined viewers to have access to channels.

A variety of interactive games may be played, tests taken or opinion questionnaires filled out. The system operator is enabled to monitor the users' preferences for channel or content—this provides a powerful tool for market research and direct sales, but what does it do to the customers' privacy?

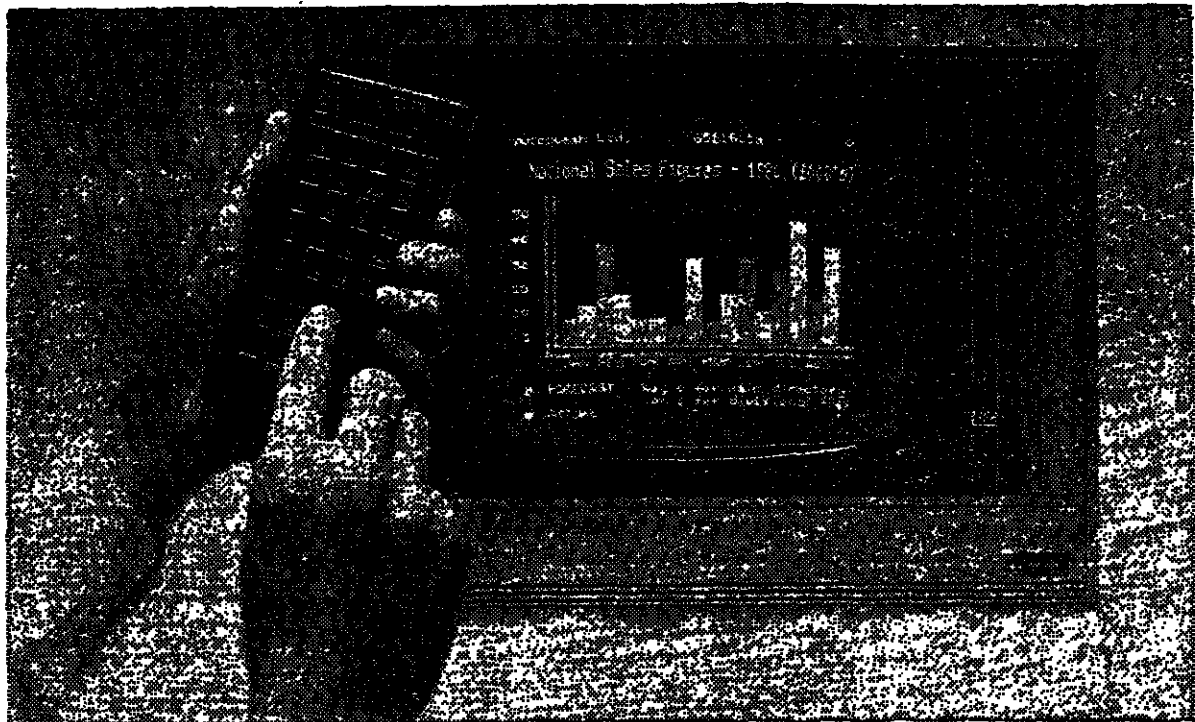
Japan. The Character and Pattern Telephone Access Information Network System—Captains—has been developed by Japan's Telephone Corporation (NTT). It is similar to Prestel, but is planned as part of a larger development in which an all-singing, all-dancing Video Response System with moving pictures will be offered.

Because of the nature of Japanese script a different approach to the hardware has had to be taken, the key point of which is that the character generator is located not at the receiver as in Western systems but at the system centre.

The Japanese have an enormous appetite for information and after the experimental period the operators expect to offer a million pages growing rapidly to 100 million frames. The experimental phase is likely to last for some time, however, especially in view of the rather tortuous legal and social snares which surround it.

Michael Hamlyn

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Laws lag behind scientific advance

...though Britain has led the world in developing videotext systems such as Prestel, laws on the control of communications and associated property rights have lagged behind the technology. As a consequence there are now areas of uncertainty in these laws which need revision to secure investment in the communications industries and to protect the public at large.

One obvious gap is in the law of defamation. There is a distinction between a slanderous statement or representation in permanent form such as a picture, a statue, a waxwork effigy, or a written, printed, mark or sign exposed to view. A defamatory statement made in transient form is a slander and the plaintiff must show that the slander has resulted in damage to the plaintiff.

By statute television and radio broadcasting is treated as publication in permanent form. Section 1 of the Defamation Act of 1952 states: "For the purposes of the law of libel and slander the transmission of words by wireless telegraphy shall be treated as publication in permanent form." The Defamation Act defines wireless telegraphy by reference to a picture, a statue, a waxwork effigy, or a written, printed, mark or sign exposed to view. A defamatory statement made in transient form is a slander and the plaintiff must show that the slander has resulted in damage to the plaintiff.

It would, therefore, appear to be the case that a defamatory statement published over BBC Ceefax or IBA Oracle would be a libel but the same statement published over Prestel or over a

private videotext network would be slander, since the signals would have been sent over wires.

On Prestel there are special versions of *The Economist*, *Time Out*, *Family Living* and *Exchange and Mart*, all popular magazines. Many of the Prestel publications contain opinions and comments. Private Eye has not yet become a Prestel publication, though it is certain that if it did its pages would become one of the most heavily used sources, especially if it expanded its sections on the City and the courts.

It is time, therefore, that the Government headed by Lord Diplock spoken more than 10 years ago: "The law of defamation in this country has passed beyond the redemption of the courts and is a fit topic for the attention of the Law Commission."

In copyright the creative interaction between computers, publishing and telecommunications has created highly complex problems which cannot be solved by reference to statute, convention and case law alone. Consider a hypothetical case. Suppose a famous lawyer writes a manual on the law of property; a computer programmer records the book in a format accessible to being read by eye and writes software to turn the book into a database that can be interrogated. A barrister then quizzes the computer.

It is clear neither whether the computer's answers are covered by copyright nor, if they are, who owns the copyright. Does it belong to the famous lawyer, the programmer, the barrister or some combination of the three? Skilled users of on-line legal information retrieval systems are capable of producing documents by interrogating the databases that read like the opinion of leading counsel.

The hypothetical case gets far more complex when a network of computers and databases is considered. A single geocentric satellite hovering 22,000 miles above Europe could beam videotext to 38 countries, some of which give copyright protection for varying terms of years but others of which have no copyright laws at all. A computer in London could interrogate a database in Switzerland, using an American program written by a German and then transmit the output to Spain. There appears to be no absolute limit to the complexity of the interactions between computer programs and creative works recorded in videotext.

The United States with a federal copyright law, has a clear commercial advantage in developing inter-state videotext networks. In Europe we need to analyse the problems and set about harmonizing our copyright laws to cope with trans-border videotext. It is a matter of urgency as the first of the geocentric communications satellites for use in this area will be launched in two years' time. Videotext piracy could then undermine the international publishing trade, robbing creative people of their birthright.

Some of the most popular pages on Prestel are the games pages. Both children and adults have fun playing games with the Prestel computer. In future, using telesoftware, it will be possible for a computer to send the programs to play a game down a telephone line to a home computer. The family sitting round the terminal will play the game in the same manner as they would play it if it were a board game.

However, the law contains a further barrier to the development of these videotext industries. It is possible to patent a board

game and get a monopoly for 20 years. The same game recorded in telesoftware format is not patentable under the Patent Act of 1977. Yet a specially made computer with the game incorporated as hard-wired components might be patentable. The distinction is totally without merit: many games are more valuable when sold as software but are just as creative and inventive as their hardware equivalent.

The problem, that hardware is patentable but that software is not, has plagued the computer industry. The identical product, can be made in both hardware and software, yet because big computer companies in the 1960s successfully lobbied against patents for software, the lead which British software companies have developed in creating new products is in danger of being lost by inadequate laws. The Banks committee on patents in 1970 recommended that the question of patentability of computer programs should be kept under review by the Board of Trade. Such a review appears to be necessary today.

In the courtroom subtle barriers exist against videotext for good reason. It will be necessary for judicial notice to be taken of the existence of legal databases before counsel will be able to rely on a videotext of a case report rather than a bound volume. The fact that the official transcript of a case recorded in a database could be altered without the knowledge of the authorities or could be wrongly made known indicates the weight that is to be attached to videotext law reports.

Computer errors have already resulted in a man being sentenced to six months' imprisonment on the basis of the magistrates being presented with a list

of eight previous convictions which included two prison sentences, none of which had actually occurred but were the result of a computer error at Scotland Yard (*The Times*, July 15 1980). Lawyers will need to learn about computer errors, and videotext publishers will have to prove both that the security of the databases and accuracy of their publications are beyond doubt.

Electronic mail and office automation are developing fast. Civil law countries in Europe have a different philosophical approach to the problems of copyright from that of Britain and America. The national telecommunications monopolies have different views on freedom of communications. Governments have conflicting attitudes to privacy, to advertising standards, to morality, to official secrets.

There is a general acceptance that communications law needs revision. The difficulty comes in agreeing what the problems are. Authors, artists and composers depend upon the law of copyright for protection of their commercial rights; citizens depend upon the law of defamation for the protection of their reputation and on the law of privacy for the protection of their peace.

It is important that Britain takes a lead in developing a legal framework for the information age so that our technical achievements are not lost by other nations passing laws that make them more attractive to high-technology industries and so that the confusion and confusion of the 1980s reflect the needs of the British legal system and the British public.

Alistair Kelman
practising barrister;
computer programmer;
member, Council of the
Parliamentary Information
Technology Committee

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ACCOUNT DAYS: Dealings Began, Feb 9. Dealings End, Feb 27. § Contango Day, March 2. Settlement Day, March 3.

§ Forward bargains are permitted on two previous days

§ Forward bargains are permitted on two previous days

[illegible]

Computer takes
on New York
markets,
page 21

THE TIMES

BUSINESS NEWS

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Index 100.4 down 2.1

Dollar

Index 99.5 up 1.0
DM 2.1120 up 70 pts

Gold

\$ 502.50 down 55

Money

3-mth sterling 12 1/8-12 1/2
3-mth Euro \$ 16 1/4-16 1/2
6-mth Euro \$ 16 1/4-16 1/2

IN BRIEF

Jobber will keep gold trade on SE floor

Smith Brothers, the stock market's leading mining jobber, is decided not to take all of its lucrative trade in gold away from the market's trading floor, reversing a previous decision to move operations to a new dealing room in City offices near by.

It said that the volume of trade carried out on the telephone had increased so much that the market could no longer cope.

Since the earlier decision, a firm has come under increasing pressure from stock-exchange and the Stock Exchange Council to maintain a presence on the floor. The decision to move was made possible by a change in the rules which allow jobbers to deal in international stocks as well as domestic ones.

20m exhibition

The International Construction Exhibition which was held at Birmingham yesterday by the Duke of Kent, has upturn valued at £20m on display from 550 manufacturers, continues until February 28.

Leigh short time

Half of the hourly-paid 5,000 workforce at the Raleigh cycle factory in Nottingham are working on a two-day week from today to avoid further redundancies.

Total jobs go, page 20

Star order

Delta Air Lines has ordered another Lockheed TriStar for delivery in January 1983. Delta is 34 TriStars in service, with 10 more on order.

House prices constant

Most house prices remained constant in the quarter ending last month, according to the Royal Institution of Chartered Surveyors.

Steel output higher

Crude steel output among non-Communist members of the International Iron and Steel Institute rose by 4.5 per cent last month to 37.47 million tonnes compared with December 1980.

Underwear limits

Imports of underwear from the Philippines into the United Kingdom are to be restricted by the European Commission. A quota of 2.15 million pairs has been negotiated for 1981, imports last year totalled 3.12 million pairs.

£2m wine factory

Britain's most modern wine bottling plant, owned by Sichel and Sons, comes into full production this week with an annual capacity of more than 5 million bottles. The £2.4m plant is at Paddock Wood, Kent.

Wall Street higher

The Dow Jones industrial average closed 945.23, up 9.14 on Wall Street last Friday. The S&P 500 index rose 12.44 to 1,239.19 while the £-SDR rate was 5.544214.

Duport shuts Llanelli with loss of 1,200 jobs and sells off plants to BSC

By Peter Hill

Duport, the troubled Midlands-based steel and engineering group, is to close its steel-making operations in South Wales, with the loss of 1,200 jobs and sell its associated steel interests to the British Steel Corporation.

The announcement of the decision, which will involve a cash deal of £23m, came yesterday after weeks of intensive discussion between the company, its bankers, the BSC and the Government.

Workers at the doomed Llanelli plant immediately expressed anger and leaders of the labour force will travel to London for talks with Mr William Sirs, general secretary of the Iron and Steel Trades Confederation.

He gave a warning yesterday that more private sector steel companies faced closure unless the Government changed its policies.

News of the agreement came on the eve of today's parliamentary statement by Sir Keith Joseph, Industry Secretary, on the Government's plans for the steel industry. These will involve writing off £3,000m BSC capital and providing further government funds.

Sir Keith will undoubtedly refer to the Duport decision, which follows the announcement at the end of last week of a joint venture company between the BSC and GKN for rationalisation of the steel industry.

Although the Llanelli steel-making plant is to be closed, with workers receiving statutory redundancy terms plus 50 per cent—Duport's retooling plant, the London works at Lupton, Staffordshire, together with other steel processing and stockholdings interests in Sheffield, are expected to feature

in the formation of a further one, and possibly two, so-called "phoenix" joint venture companies to effect a rationalisation of the engineering steel sector.

Yesterday's announcement by Duport paves the way for talks to move forward with the BSC and a group of other engineering steel producers in the private sector on this venture, although it is not expected to be concluded for some weeks.

Closure of the plant at Llanelli is a big blow to the community and will raise local unemployment to more than 15 per cent.

Over the past three years the company has invested about £35m in steelmaking capacity at Llanelli. The plant produces steel billets which are sold to other customers or are transferred to Lupton for retooling.

The plant has an annual capacity of about 500,000 tonnes, but with the present overcapacity in the engineering steel sector it has recently been operating at about one-third of capacity.

The company sank into deficit in the first half of last year, reflecting the effects of the engineering and steel strikes, and losses have mounted as the steel industry crisis began to bite.

Losses at Llanelli are understood to have been running at about £1m a month.

Dealings in the company's shares were suspended yesterday and further details of the arrangements with BSC are expected to be announced before the end of this week.

The deal will require approval by shareholders and an extraordinary general meeting is being arranged.

A spokesman for the company said that there had been "no alternative" to the closure of South Wales operations, where a second electric arc

steelmaking furnace was commissioned only 12 months ago.

"There is considerable overcapacity in this area and the plant could not be included as part of the deal with BSC", he added.

It is understood that Duport will bear the cost of the Llanelli closure and the redundancies involved, with the BSC assuming responsibility for the bulk of the company's extensive overcapacity in plastics, metal framing and furniture.

Reaction to the news, which followed more than 1200 job losses at the Sheffield private sector steel company of Firth Brown last week, was one of anger.

Mr Keith Phelps, a member of the Llanelli works council, said that the company had said only a few days ago that a decision would not be taken for several weeks.

"We have been led up the garden path. We were being led to believe there was always a good chance of Llanelli being left intact, but now we are told the whole place must close," he said.

Mr Sirs, who will be seeing Sir Keith Joseph with other union leaders of the "triple alliance" formed between steelworkers, railwaymen and coal miners, said that he was horrified at the closure.

"It has happened quite simply because of the high cost of energy and because of the over-strong pound. This has resulted in a surge of imports from abroad, which is now threatening every private steel plant in the United Kingdom."

"The Duport plant is modern, has low manpower and good productivity. Unless there are changes in government policy, I am afraid that Duport will not be the last of the closures. It may be the first of many."

£20m loan for coal and steel areas



Mr Christopher Tugendhat (left), Lord Caldecote (centre) and Mr John MacGregor at the signing ceremony in London.

By Our Industrial Editor

Additional EEC funds of £20m aimed at promoting new businesses in areas hit by the rundown of the coal and steel industries are expected to help create 4,000 jobs.

The loan facilities were concluded at a signing ceremony in London yesterday. The latest tranche is the third "global loan" provided by the Community for reconstruction assistance under the European Coal and Steel Community Treaty, and is specifically aimed at companies requiring loans of up to £1m.

Speaking at the signing ceremony Mr John MacGregor,

parliamentary under-secretary of state for industry, said that he hoped the new facilities would help the Government to build on the first £10m loan made available 15 months ago and which had been fully taken up.

"Cover has been provided on loans for projects expected to provide at least 4,000 jobs in coal and steel closure areas and I am sure many more jobs will follow," Mr MacGregor said.

He reaffirmed the Government's view that small companies had a crucial role to play in tackling the problems created by the decline of traditional industries.

Half of the latest EEC loan is being guaranteed against exchange risks by the Department of Industry and the balance will be paid in sterling.

The money will be loaned at a special low interest rate—up to 3 per cent below market rates—and will be channelled through Finance for Industry, the long-term investment institution owned by the clearing banks and the Bank of England.

Yesterday's signing ceremony was attended by Mr Christopher Tugendhat, Britain's senior EEC Commissioner, who said that the loan facility demonstrated the advantages which could be gained from the EEC.

Ferries chief unworried by monopolies call

By David Hewson

Mr Keith Wickenden, European Ferries chairman, said yesterday that he would welcome an investigation by the Monopolies and Mergers Commission into the company's bid for British Rail's Sealink ferry subsidiary.

European Ferries is to press for an investigation to be carried out before the Government's Transport Bill becomes law this summer.

Mr Gordon Borrie, Director-General of Fair Trading, recom-

mended last week that the Monopolies Commission should look at the proposed merger, which would give the combined company an overall market share of 61 per cent on cross-Channel routes.

The Government is understood to favour the merger as part of its policy for the "privatization" of British Rail, and it is not yet known when Mr John Biffen, Secretary of State for Trade, will decide whether to accept the Office of Fair Trading's recommendation.

Mr Wickenden said that he welcomed the OFT's recommendation and hoped that the Government would accept it in advance of European Ferries' bid. In a pointed aside, Mr Wickenden said that he would welcome an investigation of the possible merger of BR's Seaport hovercraft company with Hovleroy.

Ferries only decided to bid for Sealink when it became apparent that the merger of Seaport and Hovleroy was being contemplated.

\$800m move for 20th Century Fox

From Ivor Davis
Los Angeles, Feb 23

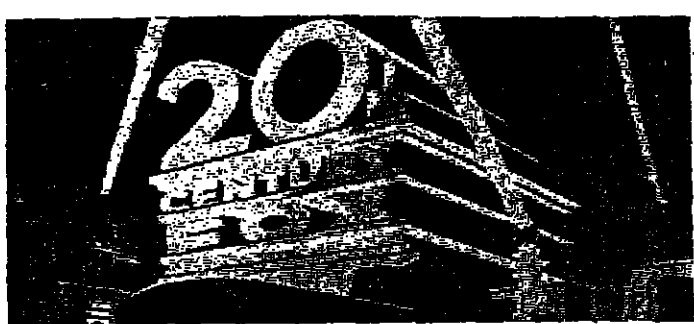
Mr Marvin Davis, a Denver oil millionaire who has offered to buy Twentieth Century Fox film corporation in a deal that would be worth nearly \$800m (£357m) or \$70 a share to Fox stockholders.

The film studio would only say the directors will consider it fully at a meeting on Friday.

The offer came after months of rumour in Hollywood of takeover moves and strife among the hierarchy running the film factory. Only last month an effort by Fox's own management to make the company private was dropped.

In Hollywood, Mr Davis is virtually unknown although in the past he has made unsuccessful efforts to acquire baseball teams and the Denver Post newspaper. He has extensive property holdings in Denver, which include high-rise hotels and office buildings.

It is believed that Mr Davis is in a good position to complete the deal. Last month he announced that he was selling much of his family-owned Davis Oil Company's oil and gas hold-



20th Century Fox Corporation emblem—familiar to millions the world over.

ings to Mr Hiram Walker's Consumer Home of Toronto for about \$600m. The funds from that deal could provide most of the cash.

According to Fox, Mr Davis and his family plan to form a new company that would merge with Fox after the entertainment and leisure company had first distributed to shareholders its stock in a subsidiary that controls three television stations.

It is estimated that the distribution will be worth about \$10 per Fox share. After that, Mr Davis would pay \$60 in

cash for each share of Fox Common.

Fox has about 10.5 million common shares outstanding plus 636,000 preferred shares that are convertible into another 830,000 common. Thus, the proposed deal would require Mr Davis to pay about \$680m in cash, with Fox holders receiving the equivalent of about \$115m in the spin-off of the television stations, making the total purchase price about \$800m.

"It's a hard offer to refuse," a Fox official said. The proposal had the support of the New York-based Chris Craft Indus-

tries, the largest Fox share holder, with 22 per cent of common stock.

Mr Herbert J. Siegel, Chris Craft chairman, said his board considered Mr Davis' offer to be fair and equitable and that he was "sure the Fox board will give this offer the same fair consideration it was prepared to give to a previous proposal by Fox management to acquire Fox for themselves."

Fox said Mr Davis had no plans to change the corporate structure of the studio's management or the Los Angeles location of its headquarters.

The offer follows a year of turmoil for the film factory which began in 1979 when Mr Alan Ladd junior and other executives left the company in a much publicized dispute.

Since then there have been reports of takeover offers, including one that failed last autumn and more recently published reports of a serious rift between Mr Dennis Stansfield, Fox's chairman and Mr Alan Hirschfeld, the man he hired to be vice-chairman and chief operating officer.

The shares of the film studios rose 84 to close at 61c and Chris Craft shares improved 2 1/2 to 39 1/2.

Metro sales lead upturn as BL's market share rises to 22 per cent

By Edward Townsend

BL is continuing slowly to recapture some of its lost share of the home new car market, and by the middle of this month had taken about 22.4 per cent of sales.

The state-owned company's executives must be reasonably pleased with the February performance, which reflects in particular the success of the Metro and has occurred at a time when the Japanese imports are once again attacking the market.

Industry estimates are that with about 10 days of the month to go, Japanese cars took 32 per cent of sales and 11 per cent for the year to date. Datsun, the largest importer of Japanese cars which sold a mere 74 vehicles in December, has captured more than 6 per cent this month.

The market share taken by all imported cars in the first two months is just over 52 per cent compared with a total for 1980 of 56.7 per cent.

Ford, the market leader, has taken about 31 per cent of February sales, which total

about 93,300, compared with 145,000 for the whole of February, 1980.

BL's share for the year to date is 19.7 per cent, slightly under its 1981 target of 20 per cent. Most manufacturers agree that the United Kingdom market this year will be 1.42 million against last year's 1.51 million.

BL, which has been promised a further £90m of state aid in the next two years, is basing much of its hopes for 1981 on the continuing success of the Metro, facelifted Mini and Princess models and the new Triumph Acclaim, which is being produced in collaboration with Honda of Japan and due to be launched in the United Kingdom in October.

Mr Ray Horrocks, managing director of BL's car division, said yesterday that serious collaboration with another car maker was necessary if the company was to realize its ambition of increasing sales by 30 per cent by 1986 to between 700,000 and 800,000 cars a year.

In an interview with Le

Figaro in Paris, Mr Horrocks said that any new agreement would not exclude existing technical cooperation deals with other companies.

The company was "very happy" with the deal with Honda and was in discussions with the Japanese in the hope of broadening the scope of the collaboration.

Meanwhile, latest figures from the Department of Transport show that total new vehicle registrations in January were 176,676, a drop of 15 per cent on a year earlier and the lowest January figure for five years.

Registrations of new cars and vans were 129,450, a drop of 11 per cent, while sales of goods vehicles fell by 37 per cent.

The cuts in local authority spending are reflected in the numbers of public transport vehicles registered last month. These declined to 651, which was a fall of 29 per cent on a year earlier.

Japanese record, page 20

Rush for share of new Datsun plant

By Edward Townsend

Hundreds of companies are pressing to become suppliers to Nissan, Japan's second largest motor group, and many local authorities are competing for the company's £300m car manufacturing plant which is to be built in Britain.

According to a senior executive of Datsun UK, the British-owned sales outlet for Nissan, inquiries have ranged from local councils offering "half a county" for the plant, to small engineering companies wishing to tender for orders for nuts and bolts.

Although full production of cars is not expected at the new plant until 1986, one United Kingdom component supplier has already submitted price quotations for a list of eight parts and specified the materials from which they could be produced.

The prize for the successful applicants will be considerable. The area which Nissan finally selects for the 800-acre development will win about 4,500 new jobs.

Nissan has promised that, when in full production, the operation will be buying £230m of British components a year, helping to safeguard 30,000 jobs in the component supply industry. Construction work alone is expected to employ 1,000 people.

Competition for the location is intense. Nissan is conducting a feasibility study, expected to take another three months, which will include site selection, but already the firm favourites are South Wales or the North-east.

The Department of Industry, which has told the Japanese company it could qualify for grants and special assistance covering up to half of the total capital cost, is referring all potential bidders for the spin-off business to Nissan in Tokyo.

Datsun UK is pleading with people to deal directly with Nissan. Yesterday alone, the British company received inquiries from two engineering companies and three district councils.

The company said that local authorities as far apart as Cornwall and Deeside in North-East Scotland had shown an interest.

"Some are totally unsuitable, but at least they are having a go," a spokesman said.

Apart from a desire to fill empty order books, companies bidding for the Nissan patronage are also aware of the good production records achieved by Japanese industry in the United Kingdom and that the business could be long term and lucrative.

The list at present includes every major construction company in the country, according to Datsun, as well as architects, small builders, steel works, machine tool makers, and suppliers of air conditioning and catering equipment.

One or two union branch officials have made tentative approaches, saying their members would welcome the Japanese and even universities have written to offer language school and engineering training services.

Gas production stopped

Brussels, Feb 23.—Phillips Petroleum has stopped production at a recently-opened chemical plant in northern Belgium after allegations that vapours were leaking. A company spokesman said the factory, which opened two weeks ago, stopped producing mercaptan gas last week after the government said it believed the plant was responsible for producing a foul-smelling gas cloud.

"We firmly believe there has been no leak from this plant, but we are pursuing investigations and have agreed not to resume production until the position has been clarified," the spokesman said. Mercaptan is used to give a smell to otherwise odourless natural gas.

Reuters.

£8m system will speed up international contact for subscribers

Reuters links the banks for a bit of fast dealing

Reuters, the international news and business information service, has launched a computerized money-dealing system which allows banks in different countries to deal with each other in seconds.

The service, which has taken five years of research, cost £8m to develop. This is the largest investment Reuters has undertaken since it was founded by Mr Paul Julius Reuter in 1851—the year of the Great Exhibition.

The new service allows banks active on the foreign exchange and money markets to make contact and communicate with video screens linked through a central computer system. So far 180 banks in Western

Europe and North America have become subscribers, paying an average of £1,500 a month.

It also incorporates the Reuter Monitor Money Rates information service, which was introduced in 1973 and gives subscribers a wide range of up-to-date information on foreign exchange and money market rates quoted directly by banks and institutions. Reuter Monitor has more than 4,000 subscribers in 45 countries.

The same video terminal on which banks can now deal by feeding in information through a keyboard also gives market information on another section of the screen.

A third area of the screen is reserved for important market news.

Speed is the main advantage of the new dealing system. At present banks deal either through a broker or direct with each other. The service is not designed to draw business away from brokers but to speed up and improve direct inter-bank dealing, which has traditionally meant placing telephone or telex calls.

International telex calls can take 15 or 20 seconds to connect but with the Reuters system banks can make contact in about four seconds.

The system also operates in "real time" which means that once contact has been made

messages are transmitted almost instantaneously.

The money-dealing service was developed largely by Reuters staff with some help from consultants. Reuters employs 170 software experts out of a total full-time staff of 2,600.

The new service is believed to be a further step in the company's development away from a news gathering service. In 1960 two-thirds of revenue of £2.4m was drawn from the media. Today annual revenue is over £80m but only about 15 per cent comes from the media with the rest drawn from business.

Peter Wilson-Smith

Brunner Investment Trust Limited

"It is your Board's present policy, firstly, to continue to seek opportunities in the more dynamic sectors of the important United States and Japanese economies; secondly, to continue to give emphasis to the energy sector which at the year end accounted for about a quarter of the Trust's total portfolio."

T. B. H. Brunner, Chairman

PERFORMANCE

(To year ended 30th November 1980)

| | | |
|--------------------|------|---------|
| Brunner | 1980 | +118.6% |
| Net Asset Value | 1.42 | +44.4% |
| FT-Actuaries | 1980 | +101.6% |
| All-Share Index | 1980 | +32.9% |
| Brunner | 1980 | +96.5% |
| Gross Dividend | 1980 | +12.3% |
| Retail Price Index | 1980 | +90.1% |
| Index | 1980 | +15.3% |

Managers:

Kleinwort Benson

AGM: 29 Fenchurch Street London EC3
on Friday 29th March 1981 at 12.15pm

PRICE CHANGES

Rises

| | |
|----------------|-------------|
| AKZO | 20p to 350p |
| Anglo Am Corp | 15p to 435p |
| Ferranti | 20p to 435p |
| Global Nat Res | 8p to 163p |
| Grindlays Hold | 10p to 130p |

Falls

| | |
|-----------------|------------|
| Atlantic Assets | 5p to 225p |
| Beecham Grp | 5p to 175p |
| French T | 5p to 120p |
| Minors | 5p to 600p |
| Lloyds | 7p to 325p |

| | |
|----------------|-------------|
| Peko Walsend | 10p to 400p |
| Phillips Lamps | 12p to 367p |
| Royal | 10p to 375p |
| Robeco | 11p to 412p |
| Unilever | 10p to 475p |

| | |
|----------------|-------------|
| Mercantile Hse | 5p to 595p |
| Minorco | 10p to 630p |
| Swedish Petrol | 5p to 425p |
| Westland Air | 5p to 125p |
| Western Mining | 7p to 238p |

THE POUND

| | Bank buys | Bank sells |
|-----------------|-----------|------------|
| Australia \$ | 1.99 | 1.91 |
| Austria Sch | 35.45 | 33.25 |
| Belgium Fr | 80.75 | 76.75 |
| Canada \$ | 2.77 | 2.68 |
| Denmark Kr | 15.25 | 14.45 |
| Finland Mkks | 9.55 | 9.36 |
| France Fr | 11.40 | 10.90 |
| Germany DM | 4.98 | 4.70 |
| Greece Dr | 115.50 | 109.50 |
| Hongkong \$ | 12.30 | 11.70 |
| Ireland Pd | 1.34 | 1.28 |
| Italy Lit | 2360.00 | 2250.00 |
| Japan Yen | 495.00 | 469.00 |
| Netherlands Gld | 5.38 | 5.12 |

| | Bank buys | Bank sells |
|-----------------|-----------|------------|
| Norway Kr | 12.50 | 11.55 |
| Portugal Esc | 129.50 | 123.00 |
| South Africa Rd | 2.10 | 1.95 |
| Spain Ptas | 201.00 | 192.00 |
| Sweden Kr | 10.69 | 10.14 |
| Switzerland Fr | 4.43 | 4.20 |
| USA \$ | 2.32 | 2.25 |
| Yugoslavia Dnr | 84.50 | 79.00 |

Notes for small denomination bank notes only, as supplied yesterday by Barclays Bank International Ltd. Barclays' different rates apply to travellers' cheques and other foreign currency business.



January record for Japanese car output

Japanese vehicle production fell 7.8 per cent in January to 851,968 from 923,631 in December, but rose 9.2 per cent from 780,015 a year earlier.

This is the highest January production figure helped by increased domestic deliveries and active exports. Export figures for January are expected to be announced later this week, possibly showing a rise of about 30 per cent from January 1980.

Meanwhile, West European and Japanese motor industry leaders are likely to meet in Paris on April 22 and 23 for talks on rising Japanese car exports to Europe. In another move, the Japanese trade minister is to visit Washington to discuss Japanese car exports to the United States in preparation for Mr. Zenko Suzuki, Prime Minister, meeting with President Reagan in May.

Manila 'over optimistic'

The Philippines has over-estimated the amount of energy it can produce in the 1980s, despite the country's "excellent" hydroelectric, geothermal, coal and some oil resources, according to a survey by the World Bank and the Asian Development Bank. The World Bank is to discuss a \$9.5m (£4.1m) programme with the national energy minister in March.

German car sales up

West German vehicle registrations in January rose 20.3 per cent over December to 187,180, but were 14.4 per cent below a year ago. Registrations of new cars rose 20.9 per cent to 168,070 from December but were 15.5 per cent down from a year ago.

EEC jobless rise

Unemployment in the European Community in January reached 8.4 million, or 7.7 per cent of the workforce, increasing by a record 500,000 workers in one month.

Causeway talks

Bahrain and Saudi Arabia are negotiating with eight groups of companies over bids to build a \$1,000m (£430m) 15-mile causeway between the two countries. The contract will likely be awarded in April.

Saudi SDR deposit

Saudi Arabia is believed to have opened deposits denominated in special drawing rights equivalent to \$10m (£4.3m) each at the Bank of Tokyo and Dai-ichi Kangyo Bank.

Dutch deficit

Dutch visible trade showed a non-seasonally adjusted provisional deficit of 1,180m guilders (£225m) in December, compared to a downwards revised shortfall of 569m guilders in November and a 1,600m guilders deficit in December, 1979.

Japan oil imports fall

Japan's crude oil imports fell 9.4 per cent in January to 129.40 million barrels from 143.89 million in December, and down 17.4 per cent from 159.74 million a year earlier.

Belgian prices up

The Belgian wholesale price index for January rose 1 per cent from December and 5.8 per cent from January 1980 to 889.4 (1936-39 base equals 100).

South Africa surplus

South Africa's trade surplus widened to 363.6m (£172.8m) in January from 195.6m rand in December but narrowed from 710.8m rand in January 1980.

Danish price rise

Danish wholesale prices rose 1.4 per cent in January from December.

Cabinet member sees trade as weapon for securing foreign policy

Mr Reagan out to promote exports

The Reagan administration plans to cut taxes for Americans working abroad and eliminate some of the regulations concerning foreign bribery by companies as part of a new export policy.

At the same time, according to Mr. William Brock, the trade representative, the Reagan administration will promote more consistent trade policies, clearly defining the role of trade in securing foreign policy aims and linking trade, defence and general foreign policy issues to a greater degree than before.

Mr Brock, who is the cabinet member in charge of trade policy formulation, said that export promotion was "absolutely crucial" to the revitalization of the American economy. He said it would be wrong to see the newly proposed budget cuts for the Export-Import Bank as indicating lack of interest by the President in export growth.

"I would caution our friends overseas from misreading that message. Our budget constraints are very real and every programme is being cut."

"It is a compelling urgency that we establish a much more effective export policy," the trade official said. A whole series of separate initiatives will be taken. The administration is giving strong support to legislation to permit the creation of special trading companies with limited participation which will promote exports. To provide Americans with real incentives to secure export deals, the Administration

wants to "significantly reduce taxes on Americans abroad".

Regulatory disincentives to exports will be cleared away, such as tight domestic rules governing the sale of hazardous substances. In this context, the corrupt practices laws of the United States will be overhauled, with some parts eliminated and other parts simplified. The United States also opposes the Arab boycott list of supplies to Israel, and Mr Brock said business would be helped if the law dealing with this issue was changed.

On the aims of the trade office he said: "The top priority would be removing export disincentives."

"My objective is to work towards a continuing strengthening of the process by which we work together (the United States, Japan and the EEC)... We need to do more in areas such as safeguards treaties, consideration of the new problems arising in the services field and in investments. We must develop mechanisms that allow us to work consistently to secure expansion of trade."

He opposed protectionism but "this is a political world", and at times protectionist actions had to be taken. The administration was reviewing arrangements for steel imports, for example.

"There are certain basic industries that we will not do without... The nation has a unique argument for securing its steel industry and that is that if we are going

to carry the burden of defending the free world, we must have the capacity to sustain that effort and that means we must pay a price. We are going to have a strong steel industry in this country."

Mr Brock said he was fully aware and "most sympathetic" of Britain's fibre import problems. The administration had already taken steps to help by decontrolling domestic oil prices. "We intend to work in the direction of decontrolling natural gas and we hope to take other steps that might prove to have greater short-term benefits."

He admitted that the United States negotiating hand might be seen as being weakened, in convincing the Europeans to reduce export subsidies, because of the budget cuts for the Export-Import Bank. But he said he would not have any hesitation about linking United States demands on this front to other issues. "Linkage is going to be fundamental—it must be between trade and foreign policy," he said.

Mr Brock left the distinct impression that forcing the export subsidy issue was not a key administration priority.

He agreed that past trade policies had at times been inconsistent and a prime task for him was to ensure that America had strong, consistent and logical trade policies relating directly to all other aspects of international policy.

Frank Vogl
in Washington

New digital control for pilotless aircraft

A small, pilotless aeroplane, believed to be the first remotely piloted vehicle in the world to have digital on-board control, has made its first flight from the Royal Aircraft Establishment's airfield at Thurleigh, Bedford.

Known as the Machan, it had been designed and built for Marconi Avionics by Cranfield Institute of Technology as part of a Ministry of Defence programme of research into pilotless aircraft.

It takes its name from a tree-top tiger-spotting platform used by hunters in India. In its present form it is a research vehicle able to carry a range of payloads: in operations, use such a machine could carry a television camera, other surveillance equipment or armament, or could be used for civil tasks such as crop-spraying and traffic and coastguard surveillance.

Machan is 7ft long, has a 12ft wingspan, and can carry up to 33lb of equipment. Its 18 hp two-stroke engine drives a tail-mounted propeller. It can cruise for two hours at 70 miles an hour and has a top speed of more than 100 miles an hour.

Launched by compressed air, the Machan would initially be controlled remotely by a pilot on the ground, in similar fashion to radio-controlled model aircraft. In later stages of the flight the aircraft would be guided by its digital micro-computer, which would have been programmed to fly whatever mission was required.

The microcomputer also receives inputs from a three-axis gyro and from height and speed sensors, and passes signals to the aerodynamic surfaces which control the flight.

At Cranfield, Professor John Shepherd, head of the School of Electronic System Design, has overall charge of the project and is responsible for the flight computer and the control system.

The airframe was designed by Professor Denis Howe, of the College of Aeronautics at Cranfield; it features an aluminium fuselage, diamond-shaped in cross-section, and a glass-fibre skinned wing. This design makes for simple manufacture and may also reduce the aircraft's vulnerability to radar detection.

Anti-fire fuel additive

A fuel additive developed by ICI Paints Division in Britain



has the potential to reduce greatly the chances of fire in aircraft. The additive is a simple and straightforward — the objective is to reduce misting under stress conditions, thereby avoiding the mist environment and resulting fireball that is characteristic after many crashes.

Development efforts were now being directed towards further refining the agent, he said, to make it practical for high-volume application.

At a recent conference in Atlantic City, Mr John Mossell, of ICI, said: "The anti-misting concept is simple and straightforward — the objective is to reduce misting under stress conditions, thereby avoiding the mist environment and resulting fireball that is characteristic after many crashes."

Development efforts were now being directed towards further refining the agent, he said, to make it practical for high-volume application.

Microprocessor for defence

A microprocessor developed for defence use has been adopted by Ultra Electronic Controls for the control of diesel engines

Technology News

It would replace a system of magnetic amplifier speed and temperature limiters.

The diesel control unit is on trial with a number of engine manufacturers. Results so far have confirmed that the microprocessor-based control system will reduce emission levels and improve specific fuel consumption. In diesel engines it could be used in trucks, military and off-highway vehicles.

Developments in viewdata

Two significant developments in European viewdata systems are to be implemented by Aegion International, the National Enterprise Board subsidiary. One is for the German national viewdata system (Bildschirmtext); the other for the European Economic Community.

Aegion has already provided for the German system a method of connecting private host processors to the national viewdata network. Known as Gateway, this was designed by Aegion, developed under contract by Systems Designers and is due to be introduced to the Post Office's Prestel network in Britain in 1982.

Now Aegion are to introduce a comprehensive message service in addition for the German system. These new features are to be designed and implemented by Aegion and are expected to be in operation next autumn.

Under contract to the European Commission, Aegion is to implement a viewdata link to Euronet, the Community's packet-switched data network. This will enable data held on Euronet to be retrieved on European viewdata receivers (modified television sets).

Previously, owner data had been accessible only via conventional computer terminals.

Kenneth Owen

220 jobs to go as Tootal closes another factory

By R. W. Shakespeare

Tootal has announced another closure in its textile operations in the North-West of England. It means the loss of another 220 jobs on top of the 4,000 that the company has shed during the past year.

The latest casualty is the company's Tootal Haverley works at Preston, Lancashire, which will be closed in June. Most of the jobs lost are of women machinists, with some management and administrative staff.

The Preston factory has been specializing in shirts and blouses for the children's market.

In a statement yesterday, Tootal said there had been a marked decline in demand for British-produced clothing, and the market had become depressed in the current recession.

Discussions about the closure are taking place with representatives of the National Union of Tailor and Garment Workers to which most employees belong.

Campaign brings Rugby 300 jobs

A campaign to attract industry to Rugby near Coventry has resulted in new developments being planned in the town by Bass Charrington and Showerlux (UK) which will create 300 jobs (Edward Townsend writes).

Rugby's self-help enterprise operation was set up three years ago by the borough council, the local chamber of commerce and trades council. The organization's commercial development committee said yesterday that, despite strong competition for new industry from the Government-supported areas of the United Kingdom, Rugby's

£60m telephone deal for Glasgow

A £60m order has been awarded to TMC, a division of Philips Business Systems, by British Telecom which will create 100 new jobs in the Glasgow area by the end of the year (Bill Johnston writes).

The order, for 16,000 small electronic telephone systems, will be produced at the company's Bellshill factory which employs 150 people.

TMC conducted feasibility studies for the new electronic systems in 1977, was awarded a development contract in 1978, and was given an order worth £10m by British Telecom the following year.

That order will be completed by the middle of this year, and the new contract will last until 1983.

The electronic system, called the "Herald", is a small unit capable of providing up to 12 exchange lines and 40 extensions.

The units will be rented or sold by British Telecom to small business users. According to the manufacturers, the business telephone system offers a unique range of programmable facilities. Considerable overseas interest has been shown in the system, and it is expected that, before the end of the year, a number of foreign contracts could be negotiated.

LETTERS TO THE EDITOR

The case for more nuclear power

From Professor J. H. Franklin
Sir, In your editorial of February 19 you say quite correctly that it would be better to over-order nuclear power stations than to under-order. Our present economic problems may make it difficult for the Central Electricity Generating Board or the Government to commit themselves to a specific building programme for very far ahead, but the main case for increasing our number of nuclear stations now is almost independent of present estimates of the amount of electric power we shall need in 20 years time.

The first reason for this is that such estimates may quite easily be wrong by a factor of two, since they take no account of changes in oil prices or in energy-consuming technologies. To consider a change of policy because demand estimates have changed by 7 per cent is absurd. There is no possible way of estimating the rate at which the future cost of oil will increase. The oil producers (other than ourselves) have clearly grasped that oil is being used up at a serious rate, and in earlier times were planning for the day when it would run out. A simple strategy, which they may well follow, is to put the price up so fast that it does not run out. A simple plan would be to raise the price sufficiently to halve demand each time the reserves were halved. Oil would not then run out for a very long time, if we have no alternatives, the price would have to go up many

times to reduce demand by a factor of two. Indeed, the only way of limiting the price rise would be to divert large quantities of coal to the production of liquid fuels. More than half of current coal production in the western world would be needed to replace half the total oil used. It is likely of course that the oil producers will limit their demands, but it would encourage them to do so if 90 per cent instead of 15 per cent of our electricity came from nuclear power.

It is equally difficult to tell at what point the rise in petrol and fuel oil prices will make electric transport seriously more attractive. Few private motorists will ever be able to use the medium-sulphur battery, owing to the need for a warming-up time, but this would not matter to buses or later to heavy lorries; between them these alone could use most of the electricity from ten new power stations. Are the opponents of nuclear power able to guarantee that they shall have no important number of electrically powered vehicles in the next twenty years?

I certainly hope for a contribution from wind and wave, though it is unlikely that Britain will ever be able to afford the space for the fifty square miles or so of solar panels needed to replace one big coal or nuclear power station. It will be some time yet before we know how much wind and wave on a large scale, and every so often we

do get a week or so of calm seas, and still weather. Ten or 15 per cent of our eggs are all we dare put in this basket.

Finally, any time now we can expect the doom-watchers to switch from radiation to the less calculable but potentially far greater risk from carbon dioxide. Ralph Nader's successful re-stocking of seven nuclear stations, and the subsequent practical moratorium on such stations in the USA has had the result of increasing by at least 100 million tons per year the amount of carbon dioxide exhaled by fossil fuel stations in the USA. It is expected that the total atmospheric content will double in 70 years; each year a little less of the energy we receive from the sun is re-radiated into space. It is much too early to blame recent extremes of weather on this, but the extra energy is going somewhere—in evaporation from the ocean and simple warming of the air. The weather must already have more energy available for wind and storms than if we had not been burning fossil fuels (and tropical forests) for the last two hundred years. It may be a long time before this matters very much. But someone is will, and I would like my grandchildren to have the option open to cut back drastically the use of fossil fuels, if they have to, before it is too late.

Yours faithfully,
J. H. FRANKLIN,
46 Vernon Road,
Birmingham, B16 9SH.

Wage rounds and calendars

From Mr Douglas Vaughan
Sir, In his letter of February 11, which dealt with an aspect of my article on the Phillips Curve (February 9), Mr Trinder made a constructive and useful point. The use of wage-round, rather than calendar, years does not make a difference to the relationship, since this was estimated from quarterly data. It does, however, make a difference to the errors of estimation when quarterly estimates are aggregated into calendar or wage-round years. When the differences between actual earnings and those estimated from the 1975 "Phillips Curve" are averaged (with signs ignored), the average error for calendar years is 1.3 percentage points compared with 2.4 for wage-rounds. The major error in the calendar year series is in 1977, whereas those in the wage-round series are in 1979/80 when incomes policy had been removed, and to a

lesser extent, in 1975/76, when incomes policy had just been reimposed and had little effect during 1976.

Incidentally, the same effect of using wage-rounds rather than calendar years can be observed when estimating earnings from prior changes in M3. It is interesting to note that, when a dummy variable for incomes policy is used, the average estimating error for 1975/76 to 1979/80 falls to 0.4 percentage points. Although changes in the money supply are the predominant influence on earnings, the effect of introducing incomes policy might suggest a tactical, rather than a strategic, modification to Government economic policy.

Yours faithfully,
DOUGLAS VAUGHAN,
Sub-Dean,
The City University Business School,
Lionel Denny House,
23 Goswell Road,
London, EC1M 7BB,
February 16.

Comfort and Concorde

From Mr Euan Lloyd
Sir, During a visit to New York last week I persuaded a group of eighteen hesitant American businessmen to fly Concorde to and from Britain to attend an annual trade convention.

Moments before calling British Airways to proudly confirm their reservations one member of the party asked for my assurance that pipe smoking was forbidden on British aircraft as it is on all American flights. Several fellow travellers shared his concern but the charming agent could not be absolutely sure, adding that she thought it was up to the discretion of the crew.

The Americans promptly withdrew their interest with about apologies to a newly found British loyalist and switched to Pan Am, despite the inconvenience of an overnight flight in place of Concorde's arrival in time for bed.

As a sufferer myself (I literally get sick from pipe smoke) I retained my own booking with a silent prayer. It was not to be for when I boarded Concorde flight 192 at Kennedy Airport there, out of only 25 passengers that day, were two contented Britons, waiting anxiously to light up. And light up they did. It cost my favourite airline roughly £30,000. My stomach is still over the Atlantic, hovering at 59,000 feet.

Yours faithfully,
EUAU LLOYD,
Blenheim Film Studios,
Middlesex,
February 17.

Promoting energy conservation

From Mr W. B. Pascall
Sir, We welcome the news (February 9) that the Government is planning to set up an agency to promote energy conservation as a vital element of energy policy. Any robust strategy must be based on a thorough understanding of energy efficient design and use of buildings as this is the largest single sector of the nation's fuel bill (56 per cent).

The architectural profession has been pursuing a programme of education and promotion of energy conservation in conjunction with the Chartered Institution of Building Services, the Energy Supply and Building Companies Industries and the Departments of Energy and Environment. Any new initiative should encourage this existing organizational cooperation between the Government, industry, the professions and, increasingly, the financial institutions to improve the knowledge of achieving results and the local marketing of energy conservation opportunities.

The essential job of any future National Energy Conservation Agency would thus be to clarify policy objectives and to enable the promotion of investment to permit the effective management of national energy and building resources.

WILL PASCALL,
Energy Co-ordinator,
Royal Institute of British Architects,
66 Portland Place,
London, W1N 4AD,
February 13.

Currency difficulties at banks

From Mr Graham W. Benbow
Sir, In response to Mr Ellis' letter published today (February 19) regarding the currency exchange, I would like to mention that, being an employee of one of the major clearing banks and dealing with foreign currency transactions, the purpose of obtaining a customer's name and address is that of precaution and not identification.

It is not unknown for bank cashiers to make mistakes in exchanging foreign currencies, for example, using the wrong exchange rate, pushing the wrong button on the calculator, or even issuing the wrong number of notes. These errors unfortunately, are not always identified at the time the transaction took place, but when the bank is closed, the till being balanced, speaking from experience I have been able to rectify mistakes by using the information requested—customer's name and address.

Ever since I've been dealing with currency exchange transactions I have never requested proof of identification because as Mr Ellis pointed out "cash is cash", and where it comes from, whether it be Italian lira or Nigerian naira, it is not my concern. However, I will always request the customer's name and

address for the above purpose. I do, however, sympathize with Mr Ellis for the banks' apparent inability to give him a satisfactory explanation, and the delay he was put to while the cashier checked the exchange control regulations with the assistant manager.

Yours faithfully,
GRAHAM W. BENBOW,
15 Durham Close,
West Wimbledon, SW20,
February 19.

From Mr J. M. H. Whiteley
Sir, I can assure Mr Aidan Ellis (Letters, February 19) that his frustrated attempts to exchange a 100 franc note into sterling is by no means an isolated instance of banks being unwilling to handle cash.

I recently met with the same resistance when I was obliged, at very short notice, to send a draft in Deutsche mark to Germany by post. The sum involved was a bare £17 equivalent and I thought that, with at least £20 cash in my pocket, I would have no difficulty in obtaining such a draft for cash over the counter.

Being City-based, I assumed that I was well placed for this operation and, as a Lloyds customer, I confidently called in at the nearest branch. Yes, I

could have the draft, but not for three days. Why? Because my application had to be forwarded to Birmingham!

I next went to Lloyds City Office who were very sorry that, even against cash, no draft could be issued as I was not a head office customer. I then went to Barclays International where my request was turned down on the grounds that I was not a Barclays customer. On both occasions I was asked to identify myself before the evident horror of my non-customer status was discovered.

Like Mr Ellis, I am completely bemused as to why a cash transaction involving no question of indemnification or risk to the banks should be so fraught with complications. Business is business, and even my offer to pay an above-average rate of commission for this small but urgent service failed to provoke any interest. One can but sadly conclude that our illustrious banking system has, in certain matters, not yet fully come to terms with the abolition of exchange control.

Yours faithfully,
J. M. H. WHITELEY,
8 Donovans,
Drayton Gardens,
London, SW10 9GS,
February 19.

Marsh & McLennan

Marsh & McLennan Companies, Inc.

(Incorporated under the laws of Delaware, United States of America)

Offer to holders of 15 or fewer shares of Common Stock

Election to receive dividends in sterling

Marsh & McLennan is offering to acquire the interests of holders of 15 or fewer shares of Common Stock as at 13th February, 1981. The offer will remain open until 31st March, 1981.

The shares will be purchased without the deduction of stock exchange or dealing costs, at a price which will be the average of the closing sale prices on the Composite Tape in the United States for the three business days ending 31st March, 1981. Holders resident in the

United Kingdom will receive the proceeds of sale in sterling.

Marsh & McLennan is also offering its United Kingdom registered shareholders the opportunity to elect to receive dividends in sterling.

Documents have been despatched to the relevant registered holders.

Holders who have registered their holdings in marking names or nominee names, and who wish to avail themselves of the offer or of the opportunity to receive dividends in sterling directly from Marsh & McLennan, should obtain the appropriate documents from the relevant marking name or nominee name or should contact K. M. Hall, The Bowring Building, Tower Place, London EC3 0T-2B3 3100. Ext. 519.

This advertisement does not of itself constitute an offer. It has been issued by S. G. Warburg & Co. Ltd. on behalf of Marsh & McLennan Companies, Inc.

Marsh & McLennan is offering to acquire the interests of holders of 15 or fewer shares of Common Stock as at 13th February, 1981. The offer will remain open until 31st March, 1981.

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BY THE FINANCIAL EDITOR

Towards a foreign exchange policy

and reports that the Government may be thinking in terms of a three per cent MLR, from 14 to 11 per cent, on 10 were the inevitable talking point today.

Money market interest rates duly fell below the 15 per cent level to 12 per cent. Short and medium gilts also a good, rather than ecstatic, day with a stretching to 2 of a point. More going, were the performances of sterling long gilts.

Officially the government has no foreign exchange policy. Coverity (and perhaps by too, before much longer) it appears to be moving towards one.

That context 2 per cent off sterling today on the back of interest speculation suggestions from EEC Budget Committee. Mr Christopher Tugendhat, that the Kingdom should reconsider joining EMS, but at a lower exchange rate, was a fair start. Yesterday's fall means sterling is now almost 4 per cent off its level earlier in the month.

A big unknown, of course, is at what ministers consider they may have a malleable trade-off between improved competitiveness and higher import costs. A point is whether they can in fact have a controlled devaluation in such markets as we have at present.

Finally, the long-end of the gilt market is still overvalued by the large 10 of 1999 tap stock still outstanding, showing no enthusiasm yesterday. Once used, a steeper yield curve need not, of course, be a problem for the authorities. The age from the market at the moment, is it really more serious: it is simply that the week's government retreat in the face of miners had better not be a sign of things to come.

and Hoover hopes that one day it will turn its sky-high stocks into cash. Meanwhile, it is working three weeks out of four, and is heading for a further loss in the first six months of this year.

Only over the year as a whole does Hoover plan to get back into the black. It is a measure of its hope that it is confident enough to pay a halved dividend.

Flat consumer demand and severe price competition have been the major bugs. Official figures show that imports have 48 per cent of the vacuum cleaner market and 42 per cent of the automatic washing machine business.

About washers from Italy and Spain the group can, it would seem, do little. It hopes



Mr Merle Rawson, chairman of Hoover Limited.

that the EEC will eventually do something about cleaners from Eastern Europe.

The investment hope is that Hoover of Ohio will buy out the United Kingdom minority but it has little incentive to do so at present. The "A" shares shed 4p to 123p yesterday, upset by the group's failure to make money in 1980's final quarter, which should have been its busiest.

Hoover has shed 2,000 workers in two years and it is obviously too early to say that a further contraction is out of the question. But it is a fair bet that interest charges will fall this year (£2m last year) and that the pound will soften against other currencies. For the moment the 3.6 per cent yield is uninviting.

Dupont Cost of the crisis

So Dupont has survived—by the skin of its teeth it seems and not without a measure of goodwill from among others the Bank of England, the Midland Bank and, by all accounts, Sir Keith Joseph.

Terms of the deal under which Dupont will withdraw from steelmaking and re-rolling are complex, secret until later this week, and painful in that it will have to finance, at a cost of around £10m, the closure of its South Wales steelmaking operation which, unlike the West Midlands and Sheffield businesses, will not be included in the sale to British Steel Corporation.

The net effect is that Dupont in return for the steel businesses going to the BSC, whose losses had threatened the whole group, will off-load bank debt of some £23m to BSC and may have some participation in the Phoenix programme. Thus, the cash benefit to Dupont is of the order of £12m-£13m after the South Wales terminal costs, thought of course it risks itself of steel losses which could be running as high as £5m annually.

All this will save Dupont, but still leave it with huge problems. Trading in its remaining businesses—plastics, metal forming and furniture—is mixed, and, while bank borrowings will benefit from the BSC deal, they remain high: the £27m of borrowings at the interim stage last October must have risen sharply.

Dupont is going to be a very different company, therefore; indeed, the burden of short-term debt which will still remain may leave it too highly geared to avoid some sort of debt reconstruction and that may even involve a reconstruction of the equity capital.

Such things are for Dupont and its bankers to work out and, if necessary, put to shareholders after the BSC deal is finalized. Meanwhile the measure of the crisis is in a passed preference dividend saving £43,750, which leaves equity holders with option money with the shares at 12p looking optimistic.

Politics is about words and persuasion and the projection of ideas. Recent political utterances by government ministers have clearly had a unifying theme, suggesting that, with the blessing of the Prime Minister, the message for the second two years of the Thatcher administration is being substantially modified.

Under every government there tends to be one minister whose role is to announce impending variations in the gospel. Despite a series of mild rebukes from the Prime Minister for having taken this role upon himself, Mr John Biffen continues to speak in a voice of equal honesty and greater coherence about the strategy of the present government than any other of its leading members.

Every government, likewise, has a moment at about the middle of its first elected term when the promises and hopes of opposition come face to face with the realities of life in office. No recent government, however, has found this contrast and conflict so sharp, for no recent government has come to power with such a radical view of the scope and speed with which policy would have to be changed.

Characteristically, it was Mr Biffen again who lifted the lid in the most explicit way on these issues in his Sunday interview with Mr Brian Walden on London Weekend Television's *Weekend World*.

Ever since Mrs Thatcher came to power the central theme of her economic and industrial policy has been the need to force through change and adjustment to a reality of a changing world at a faster pace than would result from any natural adjustment process. The core, indeed, of the battle between the "hard" and the "soft" in this government has been that the former have argued that the pace of change must be relentlessly forced, despite the inevitable resistance created, while the latter have argued that the only worthwhile and lasting changes are those that are achieved by persuasion and agreement.

The phrase in Mr Biffen's interview that is likely to last longest in the public memory was his statement that: "I didn't come into politics to be a Kamikaze pilot." The more interesting indication that the government of which he has for so long been a key member, is shifting its ground was, however, contained in a question about "how wise it is to have a tough and sharp rhetoric when in fact your policies are much more gradualist than that would suggest".

If then the Government is in the process of switching its public image from being a hardline bunch of pretty doctrinaire monetarist theologians to that of being gradualist, sensible and practical Tories of a traditional sort (the

pejorative terms are taken more or less in context from Mr Biffen's interview) it has to face a substantial presentational problem.

The centre of this presentational problem is the need to persuade first Whitehall and informed opinion and then a wider public that the Government has a policy which holds out a reasonable chance of improving rather than worsening the situation in the medium term. Unfortunately, given the election timetable, the medium term is only between now and 1984 at the latest.

So far as the economy is concerned, the impression given by the majority of those at the Treasury is that they are cast into Eeyore-like gloom, as the worst of the predictions they made privately about the likely effects of government policy when Mrs Thatcher came to power seem to have been excessively optimistic. So far as industry is concerned, the impression given by those at the Department of Industry is that despair rather than gloom is the order of the day.

If, in Mr Biffen's words, we "have to understand (the Government) are at heart very Tory and very pragmatic, then it will be necessary to project economic and industrial strategy in very Tory and very pragmatic terms; and to recognize that this has not been the case for the past two years".

In particular, a pragmatic Tory programme for industry and the economy

in the next two to three years might include some of the following elements.

First, a healthy private sector cannot survive much longer in a sharply contracting economy, whatever the eventual benefits that may be credited to the violent purge of the past two years.

Secondly, while market forces and market mechanisms provide the most sensible and efficient mechanism for allocating resources in much the largest part of the economy, there are critical areas where they provide no answer at all. In these areas the Government, like those in all other industrial countries, must have a positive and interventionist industrial policy.

And, thirdly, the Government must recognize that there are no quick and easy answers to problems that are deeply ingrained—over years, decades and even centuries. It was a naïveté born of relative inexperience that led some of those closest to the Prime Minister to think that once personal income-tax rates were cut, a medium-term strategy announced, dividend control and foreign exchange controls abolished a new world would suddenly dawn within 18 months to two years. Dreams are engaging, but dreams end. For the long haul as Mr Biffen seemed to be indicating, truth and honest doubt are more helpful.

Anthony Hilton on an electronic share dealing system which replaces the trading floor America's growing computerized stock market

New York

In just ten years America's over-the-counter or "match-making" market Nasdaq (the acronym stands for National Association of Securities Dealers Automated Quotations) has grown from virtually nothing to become the third largest stock market of any kind in the world. It is beaten in terms of the daily volume of traded shares only by the New York Stock Exchange (NYSE) and Tokyo.

By the end of 1979 it accounted for more than 20 per cent of the shares bought and sold in America. Fourteen months later this figure is well over a third. More to the point, in the last six years the value of shares measured by the Nasdaq index has quadrupled.

In both the volume and the value of equities traded Nasdaq, whose administrative base is in Washington, exceeds the London stock market and dwarfs such long established institutions as the Paris Bourse or even the combined Canadian stock markets.

Its ebullient president Mr Gordon Macklin, the man who has run the system since its inception, says that it has achieved this without having what traditionally is thought of as the essential feature of a stock, or any other, market—namely a trading floor where

buyers and sellers meet to do business.

The floor has been replaced by the telephone and the computer terminal.

Mr Macklin says his over-the-counter or OTC market, as it is commonly known, trades four times as many shares a day by volume and twice as much by value as does the much better known and generally recognized number two, the American Stock Exchange (Amex). If the value of all the domestic companies quoted on the OTC, it added up, he says, twisting the knife, then it comes to \$122,000m (£54,000m), which is \$50,000m more than the capitalization of the Amex listings.

Having displaced the Amex, Mr Macklin is not altogether joking when he says he is now gunning for the New York Stock Exchange.

The OTC's business has been growing at 37 per cent a year for the past five years, almost twice as fast as that of the New York Stock Exchange and as a result the target is almost within range.

Volume so far this year is running at 70 per cent of that of the New York Stock Exchange and celebrating Nasdaq's tenth birthday in New York last week, Mr L. C. "Jack" Petersen, its chairman, mischievously predicted that at present trends Nasdaq will overtake the NYSE "sometime in

the third week of January, 1984".

However, if the underlying dollar value of shares traded is examined, it is still a contest with the typical OTC bargain having barely half the weight of an NYSE deal. But even with that caveat, it is a notable performance.

The clue to what effectively amounts to a revolution in the way shares are traded is computerization. If it were not for modern communications and computers the growth could not have happened.

As it stands it is a telling monument to the power of modern communications. There are some 400 securities firms plugged into a giant central computer, which is the 1980's equivalent of the trading floor. Through this they deal in 2,800 domestic and foreign stocks.

Overseas companies include highly respected ones like De Beers, Nippon Electric, and Britain's Stobbs, Stobbs, Parke, Barnett. Some of the better known American ones are high technology companies like Intel and Apple Computer, side by side with the more traditional, however, or Adolph Coors, the brewer. Countering the image of the OTC as the last refuge of the tiny and not always well run company, Mr Macklin says that Nasdaq handles nearly 200 stocks with assets of more than \$1,000m and a further 500 with assets of over \$100m.

Each of the 400 dealers can make a market in one or more stocks. The industry giant Merrill Lynch is market maker for more than 500. On average each stock has eight widely separated brokers all making a price in it, a system which its supporters claim makes for keener pricing, narrower spreads and greater flexibility than that of the New York Stock Exchange where each stock has only one specialist.

None of this would be possible without Nasdaq's huge network, and a series of regional sub-computers which tie the firms together. All dealers have a terminal into which they constantly feed in the bid and offered prices of the stocks in which they are market makers. The computer consolidates this information and a buyer has to do it press a button on his terminal, corresponding to a specific share, for all the different quotes to be immediately displayed. He then selects the price which he best wishes to offer and the computer matches the trade for him.

Soon, however, even this manual stage will be abolished. Nasdaq has now begun to phase in what it calls a "computer assisted execution system". This means that the buyer or seller simply punches into his terminal the trade he wishes to do and the computer matches

it with the best price available wherever in the country it may be.

Once this system is fully in place by the end of the year Nasdaq could claim to be the world's first fully automated totally electronic securities market.

Perhaps the most telling confirmation that the OTC has become respectable is that at least 500 of the companies it lists would be eligible for a quotation on the New York Stock Exchange, but have opted instead to stay with Nasdaq. In theory companies could be quoted on both Nasdaq and the conventional exchanges but there are no practical benefits to be gained from this.

Each company has its own reason for staying with Nasdaq, but Mr J. M. "Mac" Hill, chief executive of a Texas-based company Rangaire perhaps speaks for a wide audience when he says "there are two kinds of stocks—those that are bought and those that are sold". In the first category he puts the blue chips like Exxon and General Motors, companies which would enjoy a good market in any system.

But he is not in that class. His company is not a household word and is unlikely ever to become one. So it benefits from the active interest of market-making professionals who follow the stock and bring in their clients.

Tucking into the pot snack market

Most Chinese cookery books would not include the following recipe for chow mein: antioxidants, preservative, yeast extract, inosine monophosphate, fruit acids, spices, colour, emulsifier, flavouring, garlic, sugar, soy sauce, monosodium glutamate, hydrolysed vegetable protein, soy flour, mushroom, salt, mixed peppers, starch, green beans, edible fat, carrot, onion and noodles.

But then most versions of chow mein are not made in Grimsby and sold as the powdered layer at the bottom of a plastic yoghurt-style container, ready to be reconstituted with boiling water into something edible in four minutes.

This particular dish is called Quick Lunch. Its stabilisers include a version called, simply, Bolognese; and its rivals include sweet and sour chicken and even a prawn provençale.

The list of ingredients for all of them seem more at home in the chemistry laboratory than the kitchen. But together they add up to one of the fastest-growing sectors of the grocery trade, worth up to £45m in retail sales this year, and a new product area which has been eyed anxiously by nearly every

big food group yet to enter it.

The know-how behind the instant snack market is Japanese and when it first arrived in Britain so was the product. KP, part of United Biscuits, first launched a Japanese import which it called Oodles in 1976, withdrawing it a year later when it found that the oriental flavour did not suit British tastes.

Now KP (with a new product), Golden Wonder, part of the

Imperial Group, Unilever's Bachelors and Knorr are all competing with each other in this market. They are seeking to strengthen their hold in the belief that Princes-Buitoni, Heinz, Mars, and Cadbury are on the verge of launching their own entries into the market.

KP and Golden Wonder have just launched new brands nationally, based on rice instead of noodles and, along with

Bachelors, have increased advertising spending by 30 million to Golden Wonder, 90 million to KP, and 10 million to Bachelors. The equivalent of 250,000 every shopping day of the year.

Mr Bob Davis, KP's product manager, for the range said: "The instantising of food is something which has been around for a long while but the idea of putting it into a pot is new. There are a few secret bits and pieces but by and large the product is no more complicated than instant mashed potato."

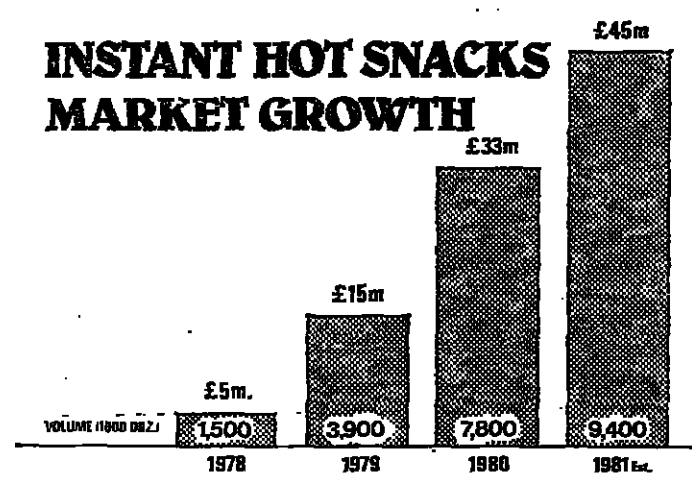
Retailing at between 35p and 44p, the snacks which, like instant mashed potato, have come in for a fair amount of caustic comment from food writers and commentators might have been expected to sell as some sort of replacement for the office sandwich. In fact, most are eaten at home, some 75 per cent according to KP, or 65 per cent, according to Golden Wonder.

The manufacturers themselves remain slightly dazzled by the way the sector has taken off. "To go from a market worth nothing at the beginning of 1976 to taking £40m to £50m this year is quite a feat," said KP's Mr Davis.

The market is dominated at present by Golden Wonder, with 52 per cent of sales; KP and Bachelors argue over which is in second place and Knorr comes fourth with about 10 per cent. The three leaders are committed to spending a total of £3m in new campaigns to improve sales.

But who, one is tempted to ask, actually eats the snacks? Golden Wonder's research suggests that 50 per cent of sales are eaten at lunchtime and 40 per cent in the early evening, which leads the manufacturers to believe that their prime targets are housewives and, perhaps, children.

David Hewson



Business Diary: Jayne and the CBI Priorities • In Camra?

er Jayne, the barrister who Deputy director-general of the National Federation of Ding Trades Employers, has ped into one of the hotter he Confederation of British industry's hot seats.

e takes over from "Pat" ry as chairman of the s Industrial Relations and tes and Conditions commit- in time for the crossfire ven employer organizations the government review of e union immunities.

owry left after eight years he chair when he moved on a the personnel and ex- affairs directorship of to become chairman of the arment's Advisory, Concili- and Arbitration Service.

James Prior, Secretary of a for Employment, pleaded a "vigorous and wide- ging debate" on trade union auities when he published Green Paper on the subject month.

t will be Jayne's unenviable k to relay to Mr Prior the orted views of the 60 or 70 azations represented on e committee.

The committee is also a um for views on wage ne- gations where, in the absence formal wage controls, views for widely.

William Marney (right) has a close business connexion with the topic that is the staple of conversation in Britain—the weather.

Marney and his firm, Garner and Marney of Islington, are makers and restorers of barometers. The one in his hand is a walnut case stick barometer made in 1705 in the Old Bailey by John Patrick.

This and other pieces are part of an exhibition of antique and reproduction barometers being staged by Marney in London.

The exhibition, the biggest collection to be seen in the country and including grand- father, grandmother and grand-daughter clocks, is open on weekdays until March 6 at the Pennybank Gallery of the Clerkenwell Green Association for Craftsman.

One of the few industries to be experiencing a boom in West Yorkshire in these difficult times concerns people who know, or claim to know, the man facing 13 charges of murder and seven of attempted murder in Yorkshire and Manchester.



Photograph: John Manning

while conducting their inquiries. The catering trade and local hostellers are not the only people to have profited from the attention of Fleet Street. While some people in Bingley have been disgusted by the attentions of the media, others have apparently been quick to seize the chance of earning a little extra pocket money by imparting "exclusive" information.

Indeed, it seems that many reporters are surprised to find that the first question they are asked is "How much?" or "What is it worth for me to talk?" The local starting rate is £10, but once an interview has begun, the price has been known to increase as people, who confess to being "short", see an easy way of making quick money.

China has a credit card of its own. The Bank of China and 12 sister banks have joined the bank credit card system with the Nanyang Commercial Bank.

Called The Federal Card because it is to be issued by the federation of the BOC group, it will be linked with the Bank of China's accounting system and all foreign exchange booths in China.

With Federal, card holders will be able to get cash advances at Chinese banks, as well as local and overseas Chinese, according to So Shing Shung, of the Nanyang Bank. The card can be used in Peking, Tianjin, Nanjing, Guangzhou and elsewhere in Hongkong and Macao.

Another reminder of home is that state run enterprises are losing money. Unlike here, however, the Chinese government will cut off support where bad management is proved.



This week, in which the Campaign for Real Ale publishes its tenth annual Good Beer Guide (Camra, £3.50), finds the movement in curious shape. Founded to stop the brewers' plasticising beer, some Camra members are now more of the schismatic than the crusading persuasion. A motion is expected at next month's agm calling for the removal of "CAMRA from the side of an associate body which buys and operates pubs." CAMRA (Real Ale) Investments. The latter, Camra theologians claim, is bringing in fruit machines and fancy prices in its seven pubs, just like any other brewer. The company has in fact backed one new brewer, Simon's Tower Bridge, and has long-term brewing objectives. The one thing Camra does not mind is that CAMRA (Real Ale) Investments may sell lager and Guinness in kegs.

Ross Davies

CRESCENT JAPAN INVESTMENT TRUST LTD Summary of the report for the year ended 31 December 1980

- Net asset value per share at 31 December 1980 was 239.2p compared with 169.6p a year ago.
- As foreshadowed last year, earnings per ordinary share show a reduction from 3.79p to 0.96p and the directors are recommending a dividend of 0.95p compared with 2.5p last year.
- Shareholders' funds were 99 per cent invested in Japan at 31 December 1980 compared with 87 per cent last year.
- Investment policy has favoured high quality technology stocks, which have performed very well.
- The economic outlook in Japan is better than in other advanced economies.
- The managers' immediate intention is to remain fully invested in Japanese equities and convertible stocks.

An investment trust managed by EDINBURGH FUND MANAGERS LTD 4 Melville Crescent, Edinburgh EH3 7JB Tel: 031 226 4931

FINANCIAL NEWS

Stock markets

Institutional support and MLR hopes lift gilts

The final leg of the long three-week account made a cautious start with investors worried about a possible cut in the dividend when ICI unveils full-year figures on Thursday.

Dealers say they are confident that the dividend will be maintained but elements of doubt still linger and were reflected in the ICI share price, down 10p at 284p. Much of this fall, however, was the result of jobbers with too much stock wishing to unload.

The City continued to express its concern at the continuing industrial unrest among public sector workers, including the water and sewage workers, who are now threatening industrial action.

As a result investors decided to sit on the sidelines until the picture became a little clearer and prices drifted steadily lower in this trade and in spite of the lack of selling pressure.

The FT Index, which was 0.5 lower at 10 am, went on to close only 1.8 down at 486.6.

Gilts were cheered by the talk of a 3 per cent cut in MLR forecast by the Budget on March 10.

Institutional buyers were quick to respond to the speculation and were soon ploughing in their dividends in order to reduce the cash mountain that had been building up. Price in longs rose by as much as 11p and the Government broker was able to activate some more of the new Treasury 12 per cent 1985 at £201. At the shorter end, rises of around 10p were seen in the 10 per cent 1984, but after hours reduced this to around 5p.

Leading industrials drifted lower on lack of support and the worries surrounding ICI. Glaxo fell 2p to 264p, Fisons 6p to 254p.

to 135p, Metal Box 2p to 186p, Hawker Siddeley 4p to 270p and Dunlop 1p to 66p. Unilever, reporting figures next week, rose 8p to 473p.

Shares of DuPont were again suspended at 12p pending the announcement of details of its Phoenix One venture with

Profit taking in Consolidated Gold Fields, up 17p since last Monday, failed to trim the price yesterday. A line of 100,000 shares went through the market at 443p. The share price closed 2p up at 440p.

British Steel and possible capital reorganization details. GKN, another engineering company involved in the Phoenix venture, eased 4p to 146p. Tubes was another weak market, slipping 2p to 182p, along with Westland Aircraft, 5p lighter at 125p.

British Aerospace continued to attract attention, rising 4p to 176p, a 26p premium on the offer-for-sale price of 150p.

But shares of Davy Corporation, funding off the approach from Ensench, slipped 6p to 147p after fear of a reference to the Monopolies Commission.

by the Office of Fair Trading. European Ferries shed 1p to 159p for a similar reason.

In textiles the full-year figures from Nottingham Manufacturing proved higher than most expectations and the shares rose 9p to 118p. This prompted sympathetic gains in Dawson International, up 3p at 154p, and Vantona, 2p better at 98p ahead of figures next week. Meanwhile, Tootal added 1p to 251p on the announcement of 220 redundancies at its Preston factory.

However was the black spot in an otherwise firm electrical sector after announcing heavy losses and a cut in the final dividend with the shares falling 4p to 123p. Elsewhere, GEC was unchanged at 641p while Racal added 2p to 356p, BICC 3p to 199p and Ferranti 10p to 515p. Plessey, reporting third quarter figures on Thursday, firmed up to 304p.

Among other companies reporting Charles Baynes rose 2p to 28p and Johnson Matthey, reporting later this week, hardened 8p to 227p.

Alexanders Holdings rose 2p to 121p and Henlys advanced 5p to 87p on the annual report. This prompted a 4p rise in Lex Service Group at 92p.

Favourable comment lifted S. Jerome 8p to 65p, Redland 1p to 171p, Associated Communications 2p to 51p and Cakebread Robey 3p to 88p. Investment support lifted Gresham Industries 2p to 130p, Telfus 4p to 100p, Christie Tyler 5p to 52p and Clarke (Clement) 8p to 90p.

Acquisition news left United Carriers with a 1p fall at 127p and Kalamazoo closed with a 2p deficit at 63p on news of short-term working.

In foods Barker & Dobson rose 1p to 171p, after 121p, on the rights issue to raise £145m. Avana's profits forecast saw the shares surge 12p to 235p with Robertson Foods in tow 8p better at 167p. Stores had Harris Queensway 2p lower at 186p after adverse comment on the DIY sector but Home Charm reverted to unchanged at 102p.

After European Ferries recovered another p to 54p after last week's cost-cutting warning and GUS "A" advanced 7p to 480p in a thin market.

In banks Grindlays surged 3p to 163p after reports that Banco de Bilbao had tried to buy Citicorp 49 per cent stake. Speculation now points to a bid

from Lloyds Bank, down 7p at 328p after last week's figures. Among the other clearing banks National Westminster, with figures out today, retreated 3p to 365p. Barclays fell 2p to 396p and Midland unchanged at 338p.

Insurance companies were marked higher in quiet trade on the prospect of a cheaper pound.

Beecham eased 5p to 175p on worries about the delay in bringing in its new antibiotic, Augmentin. The Committee on Safety and Medicines has recommended a restricted licence in the last few days.

Beecham is hoping to gain approval for a wider application, but the projected launch date for this spring has been postponed another few months.

after the Budget. Commercial Union, reporting today, rose 5p to 154p. Sun Alliance advanced 8p to 772p, General Accident 4p to 304p, GRE 6p to 324p and Royal 10p to 373p.

Equity turnover for February 19 was £17,541m (bargains 19,461). Active stocks according to the Exchange Telegraph, were British Aerospace, ICI, Beecham, European Ferries, Thorn/EML, Shell, Bass, GEC and Avana Group.

Trade options: A total of 531 contracts were reported yesterday. Consolidated Gold attracted 18, ICI took 17, GEC took 3, Land Sees attracted 63 and Imps 37.

Traditional options: Dealers reported an extremely quiet day, with some trading in British Aerospace, still at 123p, in Premier at 95p and in Burmah at 17p. Other calls were made in Lombar, Barker & Dobson, Hestair and Marks and Spencer.

William Press stake in French Kier revealed

Engineering group William Press behind the recent share dealings in construction group French Kier that pushed the shares to a high of 50p earlier this month.

William Press last night refused to comment when asked if it was planning to bid for the company. It has "under 5 per cent" of French Kier's equity.

William Press also refused to confirm that it had sought a confidential meeting with French Kier last Friday. Mr John Mott, chairman of Kier, agreed to the meeting because he thought a joint venture might be discussed. Mr Mott declined to reveal what passed at the meeting but said: "I never thought the contents would be what they are."

French Kier revealed William Press's interest in its shares yesterday. They closed unchanged at 49p.

Mr William Hawken, chairman of William Press, would only say last night that "our holding in French Kier is a

trade investment in accordance with our policy of taking investments in what we consider to be good businesses. Our intention is not to increase our shareholding at this stage". No information was available on what the stake has cost.

French Kier had been trying to establish who was behind the dealings in its shares for some time. Yesterday it revealed that by January 27 William Press had bought 700,000 shares, 1.47 per cent of the equity, held through a chain of two nominee companies. In early February, French Kier's shares jumped from 39p to 50p, leaving Mr Mott convinced that William Press had added to its stake.

In its 1979 accounts William Press made a £2m extraordinary provision against the possibility of losing a case brought against it by the Inland Revenue, which is due to come to court shortly. The company is accused of evading PAYE payments.

Trust Securities returns

By Our Financial Staff

Trust Securities Holdings, the property group, returns this morning to the Unlisted Securities Market, after its £3.37m acquisition of Nearchy which day, was made in British

Drinks water, the water disposal group. Shares in Trust Securities were suspended at 232p on February 6 when the group announced its deal with the privately owned Nearchy group.

Trust paid £75,000 for Nearchy but also took over its £3.3m liabilities from the purchase of Drinkwater.

Mr Peter Jones, the chief executive of Trust, said yesterday that the group was negotiating the sale of 550 acres of Drinkwater land near Heathrow Airport for a sum similar to Nearchy's debts. The sale would leave Trust with land assets of 247 acres, north of junction 4 on the M4 near Heathrow.

Barker & Dobson rights issue for £1.45m

By Margaret Pagano

After several troubled years of mounting losses, sweet makers Barker & Dobson yesterday called on shareholders for £1.45m via a rights issue to allow expansion of its profitable lines of business.

Since the shares are current trading below their 20p par value at 16p, a new class of "A" shares at 1p is being created. These "A" shares at 1p will be offered on the basis of three "A" ordinary shares at 2p for every share held thus offering shareholders 6p against 16p. In the market the share tumbled 4p to 12p on the news before recovering to 16p.

Mr Ronald Aitken, chairman, confirmed that the "debt discounted" price was being offered because the shares were trading below market value. He explained that as this usually precludes a conventional rights issue, the group felt it right to offer shares at a "maximum advantage".

The issue will be followed by a reduction of capital to cut the nominal value of existing shares from 20p to 1p. Once the capital reduction is effective, and the period of renunciation of the allotment letters of the "A" shares has expired, the "A" shares will convert into 1p shares to give one uniform class of shares.

Despite losing £158,000 and passing the interim dividend in the first half of the year to October, the group is expecting a return to profits in the full year to March. After exchange losses, extraordinary items, and business closures, profits of £240,000 are looked for. However a final dividend is still in question.

In the last five out of six years the group recorded losses. In 1976 the group's bankers brought in a "salvage crew" headed by Mr Aitken. The following years saw continuous losses despite rationalisations at the group's six factories.

By March 1979 the group reported pretax profits of £910,000 and a return to dividend payments. This recovery was followed by a withdrawal from the Oakeshott's grocery business and wine importing business.

However, last year saw losses of £487,000 with no dividend.

Mountleigh down 7pc midway

By Rosemary Unsworth

Mountleigh Group, the Yorkshire-based worsted company which has developed its primary side in the last three years saw profits fall by three per cent in the first half, but has reinstated the interim dividend at 1.42p gross and intends to prepay last year's total of 4.3p gross.

Profits fell from £235,000 to £217,000 while turnover slipped from £345m to £2.1m in the six months to October 31. The property division contributed £241,000, but losses from worsted manufacturing came to £24,000 compared with last year's £77,000 loss. The loss was after crediting £96,000 in respect of the recovery of leasing charges. Interest amounted to £222,000 against £284,000.

Mr Ernest Hall, chairman, said that the group had maintained its expansion in property and the profits had been earned from the development programme and a considerable increase in rental income. "The policy of retaining, whereas appropriate, curtailed development for the investment portfolio has led to income from this source already being twice that of the whole of 1979-80," he said.

Pretax profits rose from £282,000 to £1.8m in the six months to December 31 while turnover jumped from £1.25m to £10.6m. The interim dividend has again been passed 6p when Mr Bradman stepped in three years ago, rose 5p to 253p yesterday after the announcement.

Credit gains on the disposal of long term investments amounted to £14,000, against £45,000, and the share of profits from the Sunbourse associate was £66,000 compared with £79,000.

Since the year end Rosehaugh has started its residential housebuilding scheme and has also added to its Wilson Street, London, portfolio by buying Citibank's interests in addition to the portfolio it acquired from British Railways Board and National Carriers. It now holds about 64 per cent of the land on the development site which will provide 530,000 square feet of office space. Such sites now command about £20 a square foot in rental.

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Latest results

| Company | Sales | Profits | Earnings | Div | Pay | Year's |
|----------------------|--------------|-------------|------------|-----|-----------|-----------|
| | £m | £m | per share | ps | date | total |
| ICI (F) | 38.1(30.1) | 0.43(0.46) | 1.25(1.0) | 1.1 | 30/4 | 1.25(1.0) |
| Chas Baynes (F) | 1.92(1.30) | 0.25(0.22) | 7.7(6.2) | 1.5 | 15/4 | 6.0(2.0) |
| Hoover (F) | 206.7(203.7) | 2.73(1.86p) | 21(3) | 1.5 | 11(10) | 1.5 |
| Jay T. Guernsey (F) | (—) | 0.48(0.45) | 1.07(1.03) | 1.5 | 1/5 | 1.1(1.0) |
| Holdings (I) | (—) | 0.12(0.13) | 1.68(1.69) | 1.5 | 1/5 | 1.5 |
| Mountleigh Group (I) | 2.1(3.45) | 0.21(0.23) | (—) | 1.5 | 1/5 | (—) |
| Nottingham Mfg (F) | 174(163) | 15.0(16.8) | 16.5(16.3) | 1.7 | 4.0(3.75) | 1.7 |
| Rosehaugh (I) | 10.6(11.25) | 1.82(2.08) | 7.99(7.41) | 5.2 | 31/3 | 7.7(7.0) |
| Temple Bar (F) | (—) | 2.32(2.15) | 7.99(7.41) | 5.2 | 31/3 | 7.7(7.0) |

Dividends in this table are shown net of tax on per cent per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pretax and earnings are net. * Net. * 5p issue 1-for-4; for 1978-79 1-for-1. * Loss.

Briefly

Mergers cleared: Secretary of State for Trade, has decided not to refer the proposed merger to the Monopolies and Mergers Commission. Georgia Pacific Corporation overtook Group. First ECU Certificate of deposit issued: The European Investment Bank is purchasing the first ever certificate of deposit denominated in European currency units, the issuer Lloyds Bank said.

The one-month CD is for 10m Ecu, the currency basket of the European Monetary System. Lloyds Bank said that as yet there is no evidence of any improvement in trade and any optimistic forecast of profits in near future is out of question. In medium and longer term, it remains confident that group will give a good account of itself.

Central Manufacturing and Trading Group: Capat group has acquired 650,000 shares at 55p making holding 12.43m shares (47 per cent).

Hays Group: Proprietors of Hays' Wharf has been named Hays Group, with effect from February 5, 1981.

Temple Bar Investment Trust: Gross revenue for year to December 31 £3.65m (£3.4m). Net revenue £2.31m (£2.14m) after tax. EPS 7.99p (7.41p). NAV 142.33p (120.36p). Dividend, 11p (10p).

Charles Baynes: Turnover for 1980, £19.2m (£20m). Net profit £258,000 (£218,000) after all charges and tax. EPS 7.27p (6.2p). Dividend 1.78p gross (1.43p). Proposed scrip issue of one-for-one.

British Aerospace: Registrars state that number of shares originally allotted to foreigners was 5,238m—previously notified as about 5m. No applications for registration in respect of foreign held shares so far received.

Somerville: Mr H. M. Ross has increased his holding to 295,000 shares (11.8pc). Denbyware: Mr N. D. Wood, director, has announced a disposal by way of a gift within his family of 10,000 ordinary shares, making his interest 61.296 shares (1.43 per cent).

Mr Michael Staton becomes managing director of Vime Products from March 9.

Mr J. A. Stanton will be managing director of Uddelhof from March 1.

Mr Christopher Jones has been made vice-president-international of Vialtel Appliances, a division of Bristol-Myers Company, and assumes responsibility for all businesses outside North America. He will continue to be based at Windsor, where he was formerly responsible for Europe, Middle East and Africa.

Confusion over delay at Woodada

News that Woodada number three well, in which Strata Oil has a 26.7 per cent interest, will be suspended while a work-over rig is found to clear out the well shaft, triggered conflicting rumours in London yesterday over the length of time this will take.

The well, in Australia's Perth basin, was suspended while a work-over rig is found to clear out the well shaft, triggered conflicting rumours in London yesterday over the length of time this will take.

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Japanese banks are promoted under Act

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United Carriers acquisition

United Carriers is buying the goodwill and assets of Dor-to-Dor carriers (Brighton) a parcels carrying business which is concentrated in Southern England with its main depot at Lewes. The deal is paying £625,000 for goodwill, vehicles, plant and equipment and the freehold of the depot at Lewes.

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